

**İSTANBUL TAKAS VE SAKLAMA BANKASI
ANONİM ŞİRKETİ**

**INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS OF
30 SEPTEMBER 2023 TOGETHER WITH INDEPENDENT AUDITOR'S
REVIEW REPORT**

(Convenience translation at publicly announced unconsolidated financial statements and Independent Auditor's Report originally issued in Turkish, See Note.I. of Section three.)



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I of Section Three)

To the General Assembly of İstanbul Takas ve Saklama Bankası Anonim Şirketi;

Introduction

We have reviewed the accompanying unconsolidated balance sheet of İstanbul Takas ve Saklama Bankası Anonim Şirketi ("the Bank") at 30 September 2023 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information does not present fairly in all material respects the unconsolidated financial position of İstanbul Takas ve Saklama Bankası Anonim Şirketi at 30 September 2023 and its unconsolidated financial performance and its unconsolidated cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other Matter

The unconsolidated financial statements of the Bank as at 31 December 2022 were audited by another auditor whose report dated 13 February 2023 expressed an unqualified opinion.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed unconsolidated financial statements and disclosures in all material respects.

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 September 2023. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Zeynep Uras, SMMM
Partner

Istanbul, 6 November 2023

CONVENIENCE TRANSLATION OF PUBLICLY
ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE

THE UNCONSOLIDATED FINANCIAL AUDIT REPORT OF
İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. AS OF 30 SEPTEMBER 2023

Address of the Bank's Headquarters : Takasbank Genel Müdürlüğü
Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No:4
Sarıyer 34467 İstanbul

Telephone of the Bank : (0 212) 315 25 25

Fax of the Bank : (0 212) 315 25 26

Web site of the Bank : www.takasbank.com.tr


E-mail for correspondence : rap@takasbank.com.tr


The unconsolidated financial report for the nine month period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below:


- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND DISCLOSURES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements and notes to these financial statements for the nine month period ended which are expressed, unless otherwise stated, in thousands of Turkish Lira have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed.


Mahmut KAYACIK
Chairman of the Management
Board


Münevver ÇETİN
Head of the Audit
Committee


Murat TACİR
Member of the
Audit Committee


Avşar R. SUNGURLU
General Manager
Board Member


Murat GÖRGÜN
Executive Vice President


Oya DEMİRDAĞ
Director

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Title : Zülal Tarı / Chief Specialist
Telephone Number : (0 212) 315 23 15
Fax Number : (0 212) 315 22 34

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İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE
GENERAL INFORMATION

I. Bank’s establishment date, start-up statute, history about the changes in this mentioned statute:

The Bank was originally set up as a department of the Borsa İstanbul A.Ş. (“BİAŞ”) (formerly “İstanbul Menkul Kıymetler Borsası”) and reorganized under a separate company named İMKB Takas ve Saklama A.Ş. on 12 July 1991, was transformed into a non-deposit taking bank on 8 August 1995 with the name İMKB Takas ve Saklama Bankası A.Ş., as published in the Official Gazette dated 23 September 1995 with the decision of the Council of Ministers No. 95/6551. According to the decision made in 18th Ordinary Meeting of the Bank General Assembly dated 29 September 2013, title of the Bank has been changed into Istanbul Takas ve Saklama Bankası A.Ş. (Here in after referred to as “Takasbank” or the “Bank”) and this title change was approved in 11 April 2013. The name of the Bank has been renovated as “Takasbank” or “Takas Istanbul” with the resolution of the ordinary general meeting dated 9 September 2017 and numbered 22.

II. Explanation about the Bank’s capital structure, shareholders who directly or indirectly, solely or jointly undertake the management and control of the Bank, any changes in the period, and information on the Bank’s risk group:

As of 30 September 2023 and 31 December 2022, the shareholders’ structure and their respective ownerships are summarized as follows:

No	Name of Shareholders	Current Period			Prior Period		
		Paid in Capital	(%)	Number	Paid in Capital	(%)	Number
1	Borsa İstanbul A.Ş.	385,067	64.18	1	385,067	64.18	1
2	Tacirler Yatırım Menkul Değerler A.Ş.	30,000	5.00	1	30,000	5.00	1
3	Phillip Capital Menkul Değerler A.Ş.	30,000	5.00	1	30,000	5.00	1
4	Türkiye Garanti Bankası A.Ş.	29,685	4.95	1	29,685	4.95	1
5	Yapı Kredi Yatırım Menkul Değerler A.Ş.	26,280	4.38	1	26,280	4.38	1
6	Türkiye Vakıflar Bankası T.A.O.	26,235	4.37	1	26,235	4.37	1
7	Türkiye İş Bankası A.Ş.	26,235	4.37	1	26,235	4.37	1
8	Other (Intermediary Institution)	26,397	4.40	24	26,397	4.40	24
9	Other (Banks)	20,101	3.35	8	20,101	3.35	8
	Total	600,000	100.00	39	600,000	100.00	39

64.18% of the Bank’s share belongs to BİAŞ. BİAŞ was established on the date of the entry into force of the Law to carry out stock market activities in accordance with Article 138 of the Capital Markets Law No. 6362, which was published in the Official Gazette on 30 December 2012 and entered into force. BİAŞ shall ensure that capital market instruments, foreign exchange and precious metals and precious stones and other contracts, documents and valuables deemed appropriate by the Capital Markets Board can be bought and sold in a transparent, effective, competitive, honest and stable environment easily and safely under the conditions of free competition markets, platforms and systems and other organized market places to facilitate the gathering of these orders and to determine and announce the prices that are formed and to establish and establish and maintain these and other stock exchanges or other market places is an institution with private legal entity established on the basis of the Capital Markets Law No. 6362 to manage and/or operate the markets of the stock exchanges.

Dividend payment

At the General Assembly meeting held on August 3, 2023, it was decided to make a dividend payment of TL 866,000 to the shareholders. It was decided to pay the dividends in four equal installments and the first installment was paid on August 15, 2023, the second installment on September 15, 2023 and the third installment on October 13, 2023.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

GENERAL INFORMATION (Continued)

III. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters and shares of the Bank they possess:

Chairman and Members of the Board of Directors

Name Surname	Area of Responsibility	Education Status
Dr. Mahmut Kayacık	Chairman	Boğaziçi University / Faculty of Economics and Administrative Sciences / Political Science and International Relations / Bachelor's Degree Marmara University / Institute of Social Sciences International / Economics / Master's Degree
Korkmaz Ergun	Deputy Chairman of the Board	Ankara University / Faculty of Political Sciences / Business Administration / Bachelor's Degree Marmara University / Institute of Middle East Studies / Middle East Economics / Master's Degree Marmara University / Institute of Social Sciences / History of Economics / PhD
Avşar R. Sungurlu	General Manager Chairman of the Credit Committee	Middle East Technical University / Faculty of Engineering / Aerospace Engineering / Bachelor's Degree Middle East Technical University / Institute of Natural and Applied Sciences / Aeronautical Engineering / Master's Degree Long Island University / Graduate School / Business Administration / Master's Degree
Murat Tacir	Member (Chairman of the Risk Committee – Member of the Audit Committee)	Istanbul University / Faculty of Business Administration / Business Administration / Bachelor's Degree
Murat Onuk	Member (Noble Member of the Credit Committee – Member of the Corporate Governance Committee)	Istanbul University / Faculty of Economics / International Relations / Bachelor's Degree
Bekir Bayrakdar	Member (Chairman of the Remuneration Committee – Reserve Member of the Credit Committee)	Istanbul University / Faculty of Political Sciences / International Relations / Bachelor's Degree
Yusuf Karaloğlu	Member (Member of the Remuneration Committee – Reserve Member of the Credit Committee)	Uludag University / Faculty of Economics and Administrative Sciences / Business Administration / Bachelor's Degree Erzincan University / Institute of Social Sciences / Public Law / Master's Degree
Prof. Dr. Münevver Çetin	Member (Chairman of the Audit Committee – Member of the Risk Committee)	Ankara University / Department of Economics Management / Undergraduate Ankara University / Institute of Social Sciences / Educational Administration and Planning / Graduate Istanbul University / Institute of Social Sciences / Money and Monetary Policy / PhD
Bilal Şentürk*	Member (Chairman of the Corporate Governance Committee – Noble Member of the Credit Committee)	Ankara University / Faculty of Economics / Economics / Graduate Marmara University / Institute of Social Sciences / Statistics / Master's Degree Istanbul University / Institute of Social Sciences / Money and Banking / PhD

*At the General Assembly held on August 3, 2023, Dr. Gülseren Topuz resigned from her position and Bilal Şentürk was appointed as a member of the Board of Directors.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

GENERAL INFORMATION (Continued)

IV. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters and shares of the Bank they possess (Continued):

General Manager and Assistant General Managers

Name-Surname	Area of Responsibility	Education Status
Ayşar R. Sungurlu	General Manager Chairman of the Credit Committee	Middle East Technical University / Faculty of Engineering / Aerospace Engineering / Bachelor's Degree Middle East Technical University / Institute of Natural and Applied Sciences / Aeronautical Engineering / Master's Degree Long Island University / Graduate School / Business Administration / Master's Degree
Gökhan Elibol	Vice President – Markets and Operations	Ankara University / Faculty of Political Sciences / Finance / Bachelor's Degree Beykent University / Faculty of Law / Law / Bachelor's Degree
Murat Görgün	Vice President – Central Counterparty and Financial Services	Middle East Technical University / Faculty of Economics and Administrative Sciences / International Relations / Bachelor's Degree Marmara University / Institute of Banking and Insurance / Banking / Master's Degree
Taşkın Öker	Vice President – Information Technologies	İstanbul University / Faculty of Engineering / Department of Electrical Electronics / Graduate

Explanations Regarding the Shares They Own in the Bank and Their Areas of Responsibility

None. (31 December 2022: None.)

V. Information on the Bank's qualified shareholders:

Shareholding in the Bank's shares, except BİAŞ, does not exceed 5% as stated in the Articles of Association of the Bank. 64.18% of the Bank belongs to BİAŞ. The Bank has no preferred shares as of 30 September 2023 (31 December 2022: None). The preferred shares belonging to BİAŞ grants to shareholders the right to nominate four candidates to be elected to the Board of Directors by the General Assembly).

Name Surname/Business Name	Share Amount	Share Proportions	Paid-in Shares	Unpaid Shares
BİAŞ	385.067	64.18	385.067	-

GENERAL INFORMATION (Continued)

V. Information on the Bank’s function and areas of activity:

The main purpose of the Bank is to increase our country’s market competitiveness by providing settlement and custody services, providing financial services, and performing all types of economic activities within the scope of the relevant legislation.

The areas of activity that are specified in the Bank’s Articles of Association, in general, are as follows:

- Providing all financial services, and primarily central bartering services and central counterparty services, activity of settlement and custody, market management, establishing and making payments, transfer and reconciliation systems, and banking activities;
- Financial services related to international markets including all kinds of payments, transfers, settlements, custody, and reconciliation services;
- Performing judiciary activities and signing all agreements related to its subject, signing written contracts, notes, and miscellaneous notes, acquiring all kinds of rights and receivables and binding debts;
- Purchasing, manufacturing, constructing, acquiring in other ways, renting, partially or completely, selling when necessary, transferring and leasing, and establishing all kinds of real rights on moveable and immoveable goods or removing all kinds of moveable and immoveable goods as well as all kinds of rights associated with them;
- All kinds of loaning and borrowing required by its activities, in line with corporate management principles as determined by banking and capital market legislation, as well as providing and obtaining personal in cash or in kind guarantees such as sureties, pledges, mortgages, and enterprise pledges in its favour or in favour of others, and transferring or cancelling these;
- Exporting all types of capital market instruments within the framework of Capital Markets legislation;
- Establish partnerships with domestic and foreign organizations and join existing partnerships.

VI. The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the bank and its subsidiaries:

None (31 December 2022:None).

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-balance Sheet
- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statements of Changes in Shareholders' Equity
- VI. Statement of Cash Flow

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AT 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Note	Reviewed Current Period			Audited Prior Period		
		30 September 2023			31 December 2022		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (NET)		89,328,694	21,768,407	111,097,101	60,407,858	19,036,502	79,444,360
1.1 Cash and Cash Equivalents		89,114,710	21,767,746	110,882,456	60,339,479	19,035,841	79,375,320
1.1.1 Cash and Balances with Central Bank	I-(1)	194	-	194	1,451	1,028,407	1,029,858
1.1.2 Banks	I-(3)	89,232,474	21,767,746	111,000,220	60,425,872	18,007,434	78,433,306
1.1.3 Money Markets	I-(3)	-	-	-	-	-	-
1.1.4 Expected Loss Provision (-)	I-(3)	117,958	-	117,958	87,844	-	87,844
1.2 Financial Assets at Fair Value Through Profit or Loss	I-(2)	42,273	-	42,273	64,708	-	64,708
1.2.1 Government Debt Securities		41,269	-	41,269	63,652	-	63,652
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		1,004	-	1,004	1,056	-	1,056
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	I-(4)	3,671	661	4,332	3,671	661	4,332
1.3.1 Government Debt Securities		-	-	-	-	-	-
1.3.2 Equity Instruments		3,671	661	4,332	3,671	661	4,332
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	I-(5)	168,040	-	168,040	-	-	-
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		168,040	-	168,040	-	-	-
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		3,977,985	5,028,768	9,006,753	3,056,688	2,521,911	5,578,599
2.1 Loans	I-(6)	3,591,072	-	3,591,072	2,681,206	-	2,681,206
2.2 Lease Receivables	I-(11)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	I-(7)	394,144	5,028,768	5,422,912	379,195	2,521,911	2,901,106
2.4.1 Government Debt Securities		394,144	1,961,877	2,356,021	379,195	1,995,037	2,374,232
2.4.2 Other Financial Assets		-	3,066,891	3,066,891	-	526,874	526,874
2.5 Expected Loss Provision (-)		7,231	-	7,231	3,713	-	3,713
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	I-(13)	-	-	-	-	-	-
3.1 Held for Sale Purpose		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		4,825	-	4,825	4,825	-	4,825
4.1 Investments in Associates (Net)	I-(8)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	I-(9)	4,825	-	4,825	4,825	-	4,825
4.2.1 Unconsolidated Financial Subsidiaries		4,825	-	4,825	4,825	-	4,825
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	I-(10)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)	I-(13)	124,621	-	124,621	32,355	-	32,355
VI. INTANGIBLE ASSETS (Net)	I-(14)	172,369	-	172,369	125,517	-	125,517
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		172,369	-	172,369	125,517	-	125,517
VII. INVESTMENT PROPERTY (Net)	I-(12)	141,630	-	141,630	141,630	-	141,630
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	I-(16)	106,028	-	106,028	43,267	-	43,267
X. OTHER ASSETS (NET)	I-(17)	480,002	9,270	489,272	426,114	7,905	434,019
TOTAL ASSETS		94,336,154	26,806,445	121,142,599	64,238,254	21,566,318	85,804,572

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AT 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES	Note	Reviewed Current Period			Audited Prior Period		
		30 September 2023			31 December 2022		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	II-(1)	-	-	-	-	-	-
II. FUNDS BORROWED	II-(3)	-	5,421,592	5,421,592	-	6,821,660	6,821,660
III. MONEY MARKETS DEBTS		-	-	-	206,603	-	206,603
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS	II-(4)	81,633,825	27,207,464	108,841,289	59,113,644	14,686,805	73,800,449
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		81,633,825	27,207,464	108,841,289	59,113,644	14,686,805	73,800,449
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-(2)	1,131	-	1,131	-	-	-
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		1,131	-	1,131	-	-	-
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	II-(5)	1,250	-	1,250	4,675	-	4,675
X. PROVISIONS	II-(6)	294,685	-	294,685	221,393	-	221,393
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		92,210	-	92,210	44,709	-	44,709
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		202,475	-	202,475	176,684	-	176,684
XI. CURRENT TAX LIABILITY	II-(6)	682,178	-	682,178	232,854	-	232,854
XII. DEFERRED TAX LIABILITY	II-(7)	-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	II-(7)	5,900,474	-	5,900,474	4,516,938	-	4,516,938
16.1 Paid-in capital		600,000	-	600,000	600,000	-	600,000
16.2 Capital Reserves		36,280	-	36,280	36,280	-	36,280
16.2.1 Share Premium		33,019	-	33,019	33,019	-	33,019
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserve		3,261	-	3,261	3,261	-	3,261
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(18,760)	-	(18,760)	(7,681)	-	(7,681)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
16.5 Profit Reserves		2,999,537	-	2,999,537	2,133,415	-	2,133,415
16.5.1 Legal Reserves		324,163	-	324,163	240,563	-	240,563
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		2,451,602	-	2,451,602	1,889,914	-	1,889,914
16.5.4 Other Profit Reserves		223,772	-	223,772	2,938	-	2,938
16.6 Income or (Loss)		2,283,417	-	2,283,417	1,754,924	-	1,754,924
16.6.1 Prior Periods' Income or (Loss)		22,803	-	22,803	22,803	-	22,803
16.6.2 Current Period Income or (Loss)		2,260,614	-	2,260,614	1,732,121	-	1,732,121
16.7 Share Premium		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		88,513,543	32,629,056	121,142,599	64,296,107	21,508,465	85,804,572

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
AS OF 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

II. OFF-BALANCE SHEET

OFF-BALANCE SHEET COMMITMENTS	Notes	Audited Current Period 30 September 2023			Audited Prior Period 31 December 2022			
		TL	PC	Total	TL	FC	Total	
		A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)					
I.	GUARANTEES AND WARRANTIES	III-(1)	55,642,510	6,296,641	61,939,151	90,964,679	-	90,964,679
			48,326,748	-	48,326,748	90,147,147	-	90,147,147
1.1.	Letters of Guarantee		-	-	-	-	-	-
1.1.1.	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3.	Other Letters of Guarantee		-	-	-	-	-	-
1.2.	Bank Acceptances		-	-	-	-	-	-
1.2.1.	Import Letter of Acceptance		-	-	-	-	-	-
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		-	-	-	-	-	-
1.3.1.	Documentary Letters of Credit		-	-	-	-	-	-
1.3.2.	Other Letters of Credit		-	-	-	-	-	-
1.4.	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Other Guarantees		-	-	-	-	-	-
1.7.	Other Collaterals		-	-	-	-	-	-
1.8.	Import Letter of Acceptance		48,326,748	-	48,326,748	90,147,147	-	90,147,147
1.9.	Other Bank Acceptances		-	-	-	-	-	-
II.	COMMITMENTS	III-(1)	876,122	-	876,122	817,532	-	817,532
2.1.	Irrevocable Commitments		876,122	-	876,122	817,532	-	817,532
2.1.1.	Asset Purchase and Sale Commitments		-	-	-	-	-	-
2.1.2.	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3.	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4.	Loan Granting Commitments		-	-	-	-	-	-
2.1.5.	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		-	-	-	-	-	-
2.1.8.	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9.	Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10.	Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11.	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12.	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13.	Other Irrevocable Commitments		876,122	-	876,122	817,532	-	817,532
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		6,439,640	6,296,641	12,736,281	-	-	-
3.1.	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1.	Fair value hedge		-	-	-	-	-	-
3.1.2.	Cash flow hedge		-	-	-	-	-	-
3.1.3.	Foreign Net Investment Hedges		-	-	-	-	-	-
3.2.	Trading Derivative Financial Instruments		6,439,640	6,296,641	12,736,281	-	-	-
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1.	Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2.	Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2.	Swap Transactions Related to Foreign Currency and Interest Rates		6,439,640	6,296,641	12,736,281	-	-	-
3.2.2.1.	Foreign Currency Swap-Buy		-	6,296,641	6,296,641	-	-	-
3.2.2.2.	Foreign Currency Swap-Sell		6,439,640	-	6,439,640	-	-	-
3.2.2.3.	Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4.	Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3.	Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1.	Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2.	Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3.	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4.	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5.	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6.	Securities Options-Sell		-	-	-	-	-	-
3.2.4.	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1.	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2.	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5.	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		6,763,029,165	16,235,372	6,779,264,537	5,837,900,793	7,703,493	5,845,604,286
IV.	ITEMS HELD IN CUSTODY		6,560,338,693	-	6,560,338,693	5,750,430,596	-	5,750,430,596
4.1.	Customer Fund and Portfolio Balances		5,149	-	5,149	3,462	-	3,462
4.2.	Investment Securities Held in Custody	III-(1)	6,560,332,044	-	6,560,332,044	5,750,425,634	-	5,750,425,634
4.3.	Checks Received for Collection		-	-	-	-	-	-
4.4.	Commercial Notes Received for Collection		-	-	-	-	-	-
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		1,500	-	1,500	1,500	-	1,500
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		202,690,472	16,235,372	218,925,844	87,470,197	7,703,493	95,173,690
5.1.	Marketable Securities		19,994,946	16,203,423	36,198,369	18,195,224	7,703,493	25,898,717
5.2.	Guarantee Notes		-	-	-	-	-	-
5.3.	Commodity		-	-	-	-	-	-
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		-	-	-	-	-	-
5.6.	Other Pledged Items		182,695,526	31,949	182,727,475	69,274,973	-	69,274,973
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			6,818,671,675	22,532,013	6,841,203,688	5,928,865,472	7,703,493	5,936,568,965

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

III. STATEMENT OF PROFIT OR LOSS

INCOME STATEMENT		Note	Current Period 01/01/2022- 30/09/2023	Prior Period 01/01/2021- 30/09/2022	Current Period 01/07/2022- 30/09/2023	Prior Period 01/07/2021- 30/09/2022
I.	INTEREST INCOME		3,151,867	1,103,962	1,480,746	498,226
1.1	Interest on Loans	IV-(1)	700,460	131,933	302,924	74,002
1.2	Interest Received from Reserve Requirements		-	-	-	-
1.3	Interest Received from Banks	IV-(1)	2,207,540	823,699	1,058,768	364,478
1.4	Interest Received from Money Market Transactions		6	-	-	-
1.5	Interest Received from Marketable Securities Portfolio	IV-(1)	237,253	144,416	114,249	56,419
1.5.1	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		5,319	-	4,928	-
1.5.3	Financial Assets Measured at Amortised Cost	IV-(1)	231,934	144,416	109,321	56,419
1.6	Financial Lease Income		-	-	-	-
1.7	Other Interest Income		6,608	3,914	4,805	3,327
II.	INTEREST EXPENSE	IV-(2)	211,385	71,200	66,274	34,454
2.1	Interest on Deposits		-	-	-	-
2.2	Interest on Funds Borrowed		210,389	59,170	66,229	30,510
2.3	Interest Expense on Money Market Transactions		787	11,852	-	3,897
2.4	Interest on Securities Issued		-	-	-	-
2.5	Lease Interest Expenses		209	178	45	47
2.6	Other Interest Expenses		-	-	-	-
III.	NET INTEREST INCOME (I - II)		2,940,482	1,032,762	1,414,472	463,772
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		1,749,197	797,740	773,769	324,728
4.1	Fees and Commissions Received		1,954,228	885,727	857,443	355,373
4.1.1	Non-cash Loans		-	117,559	-	56,000
4.1.2	Other	IV-(11)	1,954,228	768,168	857,443	299,373
4.2	Fees and Commissions Paid		205,031	87,987	83,674	30,645
4.2.1	Non-cash Loans		-	-	-	-
4.2.2	Other		205,031	87,987	83,674	30,645
V.	DIVIDEND INCOME	IV-(3)	41,000	29,446	41,000	-
VI.	TRADING INCOME / LOSS (Net)	IV-(4)	63,256	9,774	42,593	3,038
6.1	Trading Gains/ Losses on Securities		(21,856)	-	(1,378)	-
6.2	Trading Gains/ Losses on Derivative Financial Instruments		1,885,487	-	394,157	-
6.3	Foreign Exchange Gains/ Losses		(1,800,375)	9,774	(350,186)	3,038
VII.	OTHER OPERATING INCOME	IV-(5)	95,576	13,480	5,172	12,762
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		4,889,511	1,883,202	2,277,006	804,300
IX.	EXPECTED CREDIT LOSS (-)	IV-(6)	31,937	36,871	30,053	14,031
X.	OTHER PROVISION EXPENSES (-)	IV-(7)	183,544	90,985	78,281	41,810
XI.	PERSONNEL EXPENSES (-)	IV-(7)	482,137	154,191	229,551	66,517
XII.	OTHER OPERATING EXPENSES (-)	IV-(7)	1,077,225	187,998	160,147	133,340
XIII.	NET OPERATING INCOME/ LOSS (VIII+...+XII)		3,114,668	1,413,157	1,778,974	548,602
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	INCOME/ LOSS FROM INVESTMENTS IN SUBSIDIARIES		-	-	-	-
XVI.	CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVI.	INCOME/ LOSS ON NET MONETARY POSITION		-	-	-	-
XVII.	INCOME/ LOSS BEFORE TAX FROM CONTINUING OPERATIONS (XIII+...+XVI)		3,114,668	1,413,157	1,778,974	548,602
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	IV-(8)	(854,054)	(341,708)	(553,707)	(135,822)
18.1	Current Tax Provision		(912,067)	(367,366)	(591,847)	(149,767)
18.2	Deferred Tax Income Effect (+)		(66,005)	25,658	3,028	13,945
18.3	Deferred Tax Expense Effect (-)		124,018	-	35,112	-
XIX.	NET INCOME/ LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-(9)	2,260,614	1,071,449	1,225,267	412,780
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income from Non-Current Assets Held for Resale		-	-	-	-
20.2	Sale Income from Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Other Income from Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expense from Non-Current Assets Held for Resale		-	-	-	-
21.2	Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Other Expenses from Discontinued Operations		-	-	-	-
XXII.	INCOME/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Deferred Tax Income Effect (+)		-	-	-	-
23.3	Deferred Tax Expense Effect (-)		-	-	-	-
XXIV.	NET PROFIT/ LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	IV-(10)	2,260,614	1,071,449	1,225,267	412,780
25.1	Group's profit/loss		-	1,071,449	-	412,780
25.2	Minority shares profit/loss (-)		-	-	-	-
	NET PROFIT/LOSS (XIX+XXIV)	IV-(10)	2,260,614	1,071,449	1,225,267	412,780
	Earnings / (Loss) Per Share in (Full TL)		3.7677	1.7857	2.0421	0.6880

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed	
		Current Period	Prior Period
		1 January- 30 September 2023	1 January- 30 September 2022
I.	CURRENT PERIOD INCOME/LOSS	2,260,614	1,071,449
II.	OTHER COMPREHENSIVE INCOME	(11,079)	(4,951)
2.1	Not Reclassified Through Profit or Loss	(11,079)	(4,951)
2.1.1	Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	(15,827)	(6,602)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	4,748	1,651
2.2	Reclassified Through Profit or Loss	-	-
2.2.1	Foreign Currency Translation Differences	-	-
	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	-	-
2.2.2	Comprehensive Income	-	-
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)	2,249,535	1,066,498

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss								Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined benefit plans' actuarial gains/losses	Other	Translation differences	Income/expenses from revaluation and/or reclassification of financial assets measured at FVOCI	Other	Profit Reserves	Prior Period Profit or (Loss)	Income/expenses from revaluation and/or reclassification of financial assets measured at FVOCI							
													Profit Reserves	Prior Period Profit or (Loss)						
Changes in shareholders' equity																				
Current Period																				
I. 1 January 2023-30 September 2023																				
	600,000	33,019	-	3,261	-	(7,681)	-	-	-	-	2,133,416	1,754,924	-	4,516,938	-	4,516,939				
II. Corrections and Accounting Policy Changes Made According to TAS 8																				
2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2.2	600,000	33,019	-	3,261	-	(7,681)	-	-	-	2,133,415	1,754,924	-	4,516,938	-	4,516,939					
III. Adjusted Beginning Balance (I-II)																				
	-	-	-	-	-	(11,079)	-	-	-	-	-	-	2,260,614	2,249,535	-	2,249,535				
IV. Total Comprehensive Income																				
V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
VI.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
VII.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
VIII.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
IX. Subordinated Debt Instruments																				
X.	-	-	-	-	-	-	-	-	-	866,121	(1,732,121)	-	(866,000)	-	(866,000)					
XL. Profit Distribution																				
11.1	-	-	-	-	-	-	-	-	-	-	(866,000)	-	(866,000)	-	(866,000)					
11.2	-	-	-	-	-	-	-	-	-	866,121	(866,121)	-	-	-	-					
11.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Period-End Balance (III+IV+...+X+XI)																				
	600,000	33,019	-	3,261	-	(18,760)	-	-	-	2,999,537	22,803	2,260,614	5,900,474	-	5,900,474					

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)
ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED CHANGES IN SHAREHOLDERS'S EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss					Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss					Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity	
	Reviewed	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined benefit plans' actuarial gains/losses	Other	Translation differences	Income/expenses from valuation and/or reclassification of financial assets measured at FVOCI						Other
Prior Period																
1 January 2022-30 September 2022																
I. Prior Period End Balance	600,000	33,019	-	3,261	-	(596)	-	-	-	-	1,687,658	913,560	-	3,236,902	-	3,236,902
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	600,000	33,019	-	3,261	-	(596)	-	-	-	-	1,687,658	913,560	-	3,236,902	-	3,236,902
IV. Total Comprehensive Income	-	-	-	-	-	(4,951)	-	-	-	-	-	-	1,071,449	1,066,498	-	1,066,498
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	445,757	(890,757)	-	(445,000)	-	(445,000)
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(445,000)	-	(445,000)	-	(445,000)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	445,757	(445,757)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+IV+...+X+XI)	600,000	33,019	-	3,261	-	(5,547)	-	-	-	-	2,133,415	22,803	1,071,449	3,858,400	-	3,858,400

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Note	Reviewed	Reviewed
		Current Period	Prior Period
		1 January – 30 September 2023	1 January – 30 September 2022
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit/ (Loss) Before Changes in Operating Assets and Liabilities	4,913,143	734,142
1.1.1	Interest Received	3,070,598	1,050,030
1.1.2	Interest Paid	(211,639)	(71,207)
1.1.3	Dividend Received	41,000	29,446
1.1.4	Fees and Commissions Received	1,791,934	794,014
1.1.5	Other Income	95,576	13,480
1.1.6	Collections from Previously Written-off Loans and Other Receivables	-	-
1.1.7	Payments to Personnel and Service Suppliers	(491,225)	(159,837)
1.1.8	Taxes Paid	10,044	(209,724)
1.1.9	Other	606,855	(712,060)
1.2	Changes in Operating Assets and Liabilities	30,352,891	20,359,005
1.2.1	Net increase/decrease in Financial Assets at Fair Value Through Profit or Loss	-	-
1.2.2	Net (increase) / decrease in Due from Banks and Other Financial Institutions	(72,006)	(1,956)
1.2.3	Net (increase) / decrease in Loans	(916,880)	(3,772,118)
1.2.4	Net (increase) / decrease in Other Assets	(60,999)	400,788
1.2.5	Net increase / (decrease) in Bank Deposits	-	-
1.2.6	Net increase / (decrease) in Other Deposits	-	-
1.2.7	Net increase/decrease in Financial Assets at Fair Value Through Profit or Loss	(22,435)	-
1.2.8	Net increase/(decrease) in Funds Borrowed	(1,606,671)	709,193
1.2.9	Net increase/(decrease) in Payables	-	-
1.2.10	Net increase/(decrease) in Other Liabilities	33,031,882	23,023,098
I.	Net Cash Provided from Banking Operations	35,266,034	21,093,147
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided from Investing Activities	(2,695,108)	153,435
2.1	Cash Paid for Acquisition of Investments, Associates and Subsidiaries	-	-
2.2	Cash Obtained from Disposal of Investments, Associates and Subsidiaries	-	-
2.3	Purchases of Property and Equipment	(129,385)	(20,661)
2.4	Disposals of Property and Equipment	20,345	1,893
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	-	-
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	-	-
2.7	Purchase of Financial Assets Measured at Amortised Cost	(6,438,193)	(3,716,399)
2.8	Sale of Financial Assets Measured at Amortised Cost	3,009,004	4,819,298
2.9	Other	843,121	(930,696)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided from Financing Activities	(934,882)	(475,431)
3.1	Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Issued Capital Instruments	-	-
3.4	Dividends Paid	(866,000)	(445,000)
3.5	Payments for Leases	209	178
3.6	Other	(69,091)	(30,609)
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(170,800)	429,363
V.	Net Decrease in Cash and Cash Equivalents (I+II+III+IV)	31,465,244	21,200,514
VI.	Cash and Cash Equivalents at Beginning of the Period	79,312,955	38,848,153
VII.	Cash and Cash Equivalents at End of the Period	110,778,199	60,048,667

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of Presentation

Presentation of financial statements

Bank, The Bank prepared its financial statements in accordance with the "Regulation on Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and other regulations published by the Banking Regulation and Supervision Agency regarding the accounting and record keeping of banks as well as Banking Regulation and Supervision Agency's "Regulation on Accounting Applications for Banks and Safeguarding of Documents". "BRSA Accounting and Financial Reporting Legislation" and "BRSA Accounting and Financial Reporting Legislation" and "Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28333, and "Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28333; "BRSA Accounting and Financial Reporting Legislation" and the amendments dated February 1, 2019 to the "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28337

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and "Communiqué Pertaining to Public Disclosure of Risk Management in Banks" amendments to these Communiqués. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The preparation of financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.

The accounting policies and valuation principles applied in the preparation of these financial statements

The accounting policies and valuation principles used in the preparation of the financial statements are determined in accordance with the regulations, communiqués, explanations and circulars published by the BRSA on accounting and financial reporting principles and the principles set out in TFRS and TAS 34 (collectively "BRSA Accounting and Financial Reporting Legislation") promulgated by POA for the matters not regulated by these regulations.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of an hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary and it recommends all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. In the announcement published by the Public Oversight Accounting and Auditing Standards Authority (POB) on 20 January 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of 31 December 2022. Nevertheless, the Authority has not published any announcement on whether the entities would restate their financial statements for the accounting period ending on 30 September 2023 in accordance with TAS 29. In this context, since there is no consensus on the application of inflation accounting in TFRS financial statements throughout the country, and it is expected that POB will delay the application of TAS 29, financial statements as of 30 September 2023 are not adjusted for inflation in accordance with TAS 29 in order to ensure comparability.

Due to the earthquake disaster that occurred in Kahramanmaraş and neighboring provinces in February 2023, aid were provided to the region. The effects of the disaster have been reviewed and it has been evaluated as an earthquake that has no continuing effect on the financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank places its funds in domestic and foreign banks, in interbank money markets, and treasury bills and government bonds. These instruments are assumed to have higher yields compared to other financial instruments and bear lower risk. For the purposes of maintaining sufficient liquidity to meet all claims that might fall due, the Bank makes overnight or weekly placements in money markets. The most significant financing resources are guarantees of the members, short term placements and the shareholders' equity of the Bank. In making long-term placements, the high yield principle is considered, and accordingly, the Bank invests in government bonds and treasury bills.

There are no areas where the Bank's return is above the average return calculated for the Bank's fields of activity.

The Bank conducts transactions in money and capital markets. In order to manage foreign exchange and interest rate risks in the areas of transactions, the Bank pays attention to the equality of assets and liabilities in terms of maturity, currency and amount in the balance sheet transactions.

The Bank may make transactions in derivatives or structured products defined as off-balance sheet in order to manage the balance sheet or to ensure the profitability of the transactions. With respect to the transactions in money and capital markets, the transaction limits determined in these markets have been determined as risk limits. The Bank has no transactions in other foreign currencies that give rise to liabilities or have a negative impact on the net asset position.

III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures

Investments in associates and subsidiaries are accounted in accordance with the "Turkish Accounting Standard on Consolidated and Separate Financial Statements Standard" ("TAS 27") and non-financial associates, subsidiaries are stated with their cost values at the financial statements after the provision for impairment deducted.

IV. Explanations on Forward and Option Contracts and Derivative Instruments

Bank's derivative instruments mainly consist of swap transactions for hedging purposes. The Bank has no derivative financial instruments designated as hedging instruments or embedded derivative financial instruments.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income"; if the fair value difference is negative, it is disclosed in "Derivative Financial Liabilities Measured at Fair Value Through Profit and Loss" or "Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement.

Explanations on Derivative Instruments for Hedging Purpose

Within the scope of balance sheet management, money swap transactions are carried out for the purpose of liquidity management and protection of the portfolio owned. As of 30 September 2023, the Bank has no derivative liabilities accounted for as "Fair Value at Fair Value Through Profit and Loss of Derivative Financial Liabilities".

V. Explanations on Interest Income and Expenses

Interest is recorded according to the effective interest rate method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities) defined in the TFRS 9 "Financial Instruments" standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. Explanations on Fees and Commission Income and Expenses

Fees and commissions, excluding those that are an integral part of the effective interest rate of financial instruments measured at amortized cost, are accounted for in accordance with the “IFRS 15-Revenue from Contracts with Customers” standard. Fees and commission income/expenses are accounted for on the accrual basis or the effective interest method, depending on the nature of the transaction. Income received in return for services rendered through contracts or transactions such as asset purchase or asset sale for a third natural or legal person are transferred to income accounts in the period they are collected. The Bank performs banking services by establishing and operating central clearing and central counterparty services, custody activities, market operation, payment, transfer and settlement systems.

The Bank provides custody, clearing, collateral management services, market operation, gold transfer, crowdfunding trustee, biga platform, securities and cash transfer, numbering, data broadcasting, cash correspondence, cash loan, leveraged trading transactions, collects fees and commissions from its customers for exchange traded fund and private pension fund transactions, Interbank Card Center (BKM) Collateral Storage, account transactions, TEFAS and BEFAS services and other services, and collects fees and commissions on an accrual basis on a monthly basis. It is accounted under the commission income account line.

VII. Explanations and Disclosures on Financial Assets

The Bank recognizes its financial assets as “Fair Value Through Profit or Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to IFRS 9 Financial Instruments. The Bank recognizes a financial asset or financial liability on its balance sheet only when it is party to the contractual provisions of the financial lease. The Bank derecognizes a financial asset only when the contractual rights to cash flows from the financial asset have expired or the financial assets have been transferred and the conditions for derecognition have been met. A financial liability (or part of a financial liability) is only recognized when the liability has expired; in other words, it is removed from the statement of financial position when the obligation specified in the contract is fulfilled, canceled or time out. The Bank categorizes its financial assets as “Fair Value Through Profit/Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost” based on the matters below:

- The business model used by the entity for the management of financial assets,
- Properties of contractual cash flows of a financial asset.

When the business model determined by the Bank management is changed, all financial assets affected by this change are reclassified. Reclassification of financial assets is applied prospectively from the date of reclassification. In such cases, there no adjustment to earnings, losses (including impairment gain or loss) or interest received previously in the financial statements is made.

a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit/loss are financial assets that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making.

Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement.

b. Financial assets at fair value through other comprehensive income

Financial assets are classified as fair value through other comprehensive income if the assets are being held in line with a business model that aims collection of contractual cash flows or sale of assets and additionally if the contractual terms of the financial asset lead to cash flows that solely include the payments of principal and interest on certain dates.

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

b. Financial assets at fair value through other comprehensive income (Continued)

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are reflected to the income statement.

c. Financial Assets Measured at Amortised Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

d. Loans

Loans are financial assets which have fixed payment terms and are not traded in an active market.

The Bank provides cash loans to the brokerage houses at maximum one month maturity however mostly overnight maturity in order to provide efficiency and convenience in capital market transactions within the limits determined by the Board of Directors. Moreover, The Bank provides swap loan, which is a loan with a maximum maturity of O / N (overnight) provided to Borsa Istanbul Equity Market participants to meet the short-term fund needs that may arise during the completion of the requested collaterals in order to cover the risks arising from their positions in the market. Cash loans are classified under the heading “financial assets measured at amortized cost” in the context of “being held for the purpose of obtaining contractual cash flows” and “contractual cash flows representing interest only on principal and principal balance” criteria.

Loans recognized at cost and are valued at amortized cost using the effective interest method.

Explanations on the Impairment of Financial Assets Recognition of Financial Statements of Expected Credit Losses

In accordance with the “Regulation on Procedures and Principles for the Classification of Loans and Provisions to be Issued” published in the Official Gazette dated 22 June 2016 and numbered 29750, the Bank calculates the expected credit loss provision in accordance with TFRS 9 and indicates in its financial statements. Expected credit losses related to cash and cash equivalents under financial assets, other receivables, loans and non-cash loans are calculated and accounted.

Provisions provided by the Bank under TFRS 9; the expected credit loss provision amounts for 12 months and the expected credit loss provision amounts due to a significant increase in the credit risk of the borrower and the expected lifetime credit loss provisions for the default of the debts are considered as special provisions.

For non-impaired financial assets, the expected credit loss provision for twelve months is calculated and set aside for the initial recognition stage. For these financial assets, effective interest rate is used over the gross book value.

Although not available for the reporting period, the expected lifetime credit loss is calculated and set aside for non-impaired financial assets that have significant increase in credit risk after initial recognition. For these financial assets, effective interest rate is used over the gross book value.

The expected lifetime credit loss provision is calculated and set aside for financial assets that are purchased or created with impaired loans. For these financial assets, effective interest rate is applied through net book value.

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

d. Loans (Continued)

The definition of default is included in the Communiqué on the calculation of the credit risk amount based on the internal rating approach. It is assumed that the debtor defaults in the event that the debtor is unable to fully pay the debts to the Bank without applying for collateral or if the debtor has delayed more than 90 days to fulfill his significant liabilities to the Bank.

Expected credit losses for financial assets, other receivables and loans under the title Cash and cash equivalents are recognized under “Expected loss reserves (-)” on the asset side of the balance sheet.

The expected credit loss provisions calculated for the transactions classified as non-cash loans due to the market where the Bank is the Central Opposite Party and the guarantor are listed under the “Other Provisions” heading on the liabilities of the balance sheet.

The total provision for credit losses under TFRS 9 is classified under “12 Months Expected Loss Equivalent- (First Stage)”. There is no allowance for credit losses classified under “Significant Increase in Credit Risk (Second Stage)”.

The basic principles for calculating the Bank “Expected credit loss provisions” are as follows:

- Information considered in the expected credit loss accounting should be reasonable, reliable and supportable.
- Country risk is also taken into account when calculating provisions for expected credit losses.
- Provision for loans can be higher than their loan-based counterparts, taking into account the size, type, currency, interest rate structure, borrowing sector, collaterals and similar concentrations over time, credit risk level and management.
- The approach used to assess expected credit losses is consistent with the bank’s credit risk management.
- The information used should include the borrower-specific factors, the general economic conditions and the assessment of the effects of these factors and circumstances at the reporting date on the current and future periods. Potential sources of information include the Bank’s credit disposal experience, internal or external credit ratings, reports and statistics.
- If the financial instrument is determined to have low credit risk at the reporting date, the Bank may assume that the credit risk in the financial instrument has not increased substantially since the first time it was recognized.

VIII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets has suffered an impairment and whether it meets the classification requirements in accordance with TFRS 9. The Bank determines the amount of the impairment if such indicator exist as mentioned. Related accounting policy is explained in footnote VII.

IX. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, no offsetting is made with respect to financial assets and liabilities.

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Repurchase agreements are classified as their purposes on the securities portfolio and evaluated by the principals of the portfolio which they belong to. The Bank has no repurchase transaction as of the balance sheet date.

Receivables from reverse repurchase agreements are accounted for under “Receivables from Reverse Repurchase Agreements” account in the balance sheet. The difference between purchase and sale price determined by these agreements is accrued over the life of agreements according to effective interest rate method. Income accruals are recognized as a liability under other liabilities in liabilities when they belong to problematic members. As of September 30, 2023, there are no reverse repo and securities lent transactions.

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XI. Explanations on Assets Held for Sale and Discontinued Operations

According to “IFRS 5 Non Current Assets Held for Sale and Discontinued Operations” which satisfy to be classified as held for sale are measured by the lower of carrying value and fair value less costs to sell and these assets are not amortized; and are separately presented in the financial statements. For an asset (or else the group of assets) to be classified as held for sale; the asset should be ready for immediate sale in frequently seen and accustomed terms and the probability of sale should be high. For the probability of sale to be high, appropriate level of management should have made a plan for the sale of the asset (or else the group of assets) and a program should have been initiated in order to determine buyers as well as complete the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or cancelling the plan is low. Certain events and conditions may extend the duration of completion of sale to more than one year.

If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale (or else group of assets). A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

A discontinued operation is a part of a bank classified as held for sale or held for sale. The results of discontinued operations are presented separately in statement of profit or loss.

The Bank has no assets held for sale as of the balance sheet date. The Bank has no discontinued operations during the period.

XII. Explanations on Goodwill and Other Intangible Assets

As of the balance sheet date, there is no goodwill in the accompanying un-consolidated financial statements of the Bank.

The intangible assets which have been bought before 1 January 2005 are amortized based on historical cost which has been revised according to inflation effects dated 31 December 2004 and the items which have been bought in the following dates are amortized based on purchase cost with the allocation of accumulated depreciation and impairments. The intangible assets are amortized based on straight line amortization regarding useful life periods. The amortization method and period are revised periodically every year.

Intangible assets of the Bank are basically software license costs. Useful lives of other intangible assets are determined by the consideration of items as; useful life of asset, maintenance costs incurred to obtain expected economic benefit from assets and technical, technological or any other type of obsolescence. Amortization method used in the current period is not subject to any change. Depreciation period is 5 years (20% annual depreciation rate) for establishment/formation expenses for other intangible assets with uncertain leasing period or leasing period over five years and depreciation rate is proportional with period for those with certain leasing period. Economic useful lives determined are in accordance with the criteria stated in the Turkish Accounting Standards-TAS 38-Intangible Assets. Computer programs widely used in the Bank are generated within the Bank by the personnel of the Bank and the expenses related to those assets are not capitalized. Computer software is only purchased in case of urgent need and special projects.

Within the scope of the agreement made between Borsa İstanbul and NASDAQ, new BISTECH technology, which was developed under Borsa İstanbul’s processing system; data distribution; index calculation; market surveillance; reporting systems; and also the Bank’s swap and risk management systems, has a useful life of 20 years.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. Explanations on Tangible Assets

Tangible fixed assets are initially recognized at acquisition cost and any other cost incurred so as to get the fixed asset ready for use.

Tangible fixed assets are depreciated with straight-line method. Tangible fixed assets are depreciated with the rates determined by the Ministry of Finance based on useful lives. These useful lives are in line with the criteria stated in "TAS 16 - Tangible Assets" released by Turkish Accounting Standards Board. Depreciation Rates for Tangible Fixed Assets are as following:

	Estimated Useful Life (Year)
Buildings	36-50 Years
Plant machinery and equipment	4 Years
Vehicles	-
Flooring and fixtures	5 Years
Special Costs	5 Years
Rights	3 Years
Development costs	5 Years

Tangible fixed assets are accounted for at cost less accumulated depreciation and impairment, if any.

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed. There are no pledges, mortgages or other restrictions on the tangible fixed assets.

XIV. Explanations on Leasing Transactions

The Bank measures the operational lease liabilities based on the present value of the lease payments that have not been paid at the date lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Bank's alternative incremental borrowing rate.

After the date lease actually started, the Bank increases book value to reflect the interest on lease liability, decreases book value to reflect lease payments that is made and remeasures to reflect the changes made in lease or revised fixed lease payments.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability.

After the date lease actually started, net book value of lease liability is increased by reflecting the interest on lease liability, decreased by reflecting lease payments that is made and remeasures to reflect the changes made in lease or revised fixed lease payments.

The Bank applies a discount rate that reflects the changes in the interest rate in a scenario where the Bank used purchase option at the initial lease term.

The Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Bank decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XV. Explanations on Provisions and Contingent Liabilities

Provisions and contingent liabilities are accounted in accordance with "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions on financial statements, if an existing obligation resulting from past events, it is probable that the

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obligation will be met and the obligation can be reliably measured. Provisions are calculated based on the Bank management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to the fair value where the effect is material.

XVI. Explanations on Liabilities Regarding Employee Benefits

Obligations related to employment termination and vacation rights "Turkey Accounting Standards Regarding Employee Benefits" ("TAS 19") are accounted for in accordance with the provisions.

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No: 19 "Turkish Accounting Standard on Employee Benefits".

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Bank uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are audited annually. The carrying value of provision for employee termination benefits as of 30 September 2023 is TL 23,489.83 (31 December 2022: TL 15,371.40).

Communiqué on "Turkish Accounting Standard (TAS 19) about Benefits for Employee (No: 9)" published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (POA) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2013 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. For the period of 30 September 2023, actuarial gain after deferred tax effect amounting to TL 15,827 (31 December 2022: TL 9,447 actuarial loss) was classified as "Other Capital Reserves".

XVII. Explanations on Taxation

Income tax expense represents the sum of the current tax payable and deferred tax.

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit at enacted tax rates, and it is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized as taxable profit.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxation (Continued)

The carrying amount of a deferred tax asset shall be reviewed at the end of the reporting period. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled is recognized in income statement as income or expense. Deferred tax that relates to items that are recognized directly in equity, in the same or a different period, is recognized directly in equity. Deferred tax assets and liabilities are netted off.

The current taxes payable and advance taxes are offset since they relate to each other.

The Bank has adjusted its statutory financial statements with inflation accounting as of 1 January 2004 in accordance with Law No. 298.

Some modifications have been made in the tax legislation with Law 4842 published in the Official Gazette number 25088 on 24 April 2003. Under these modifications, investment and development banks, which are not allowed to accept deposit, are allowed to deduct loan loss provisions from the tax base in accordance with item 2 of the article 20 of Banking Law and the amendment introduced by the article 35 of the Law numbered 4842.

In the deferred tax calculation as of 30 September 2023, 30% tax rate is used for temporary differences that are expected to be realized/closed within 2023 and after 2023.

Current Tax

As of September 30, 2023, the corporate tax rate has been applied as 30% in the financial statements. With the publication of Law No. 7394 in the Official Gazette dated 15.04.2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The corporate tax rate has been increased to 25%. However, with the Law No. 7456 published on 15.07.2023, the said rate has been increased to 30% to be applied to the cumulative bases included in the declarations that must be submitted as of 1.10.2023; The corporate tax rate will be applied as 30% in the future periods, starting from the provisional corporate tax return to be submitted for the period 01.01.2023 - 30.09.2023.

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial profits of the institutions, and deducting the exemptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

There is no withholding tax on dividends paid to non-limited taxpayer institutions that generate income through a workplace or permanent representative in Turkey and to institutions resident in Turkey. Dividend payments made to individuals and institutions other than these are subject to 10% withholding tax. Addition of profit to capital is not considered profit distribution and withholding tax is not applied.

Corporations calculate provisional tax based on their quarterly financial profits at the current rate and declare it by the 17th day of the second month following that period and pay it by the evening of the same day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. Despite the deduction, if the amount of advance tax paid remains, this amount can be refunded in cash or can be offset against other financial debts to the state.

Provided that 50% of the profits arising from the sale of subsidiary shares and real estate held for at least two years are added to the capital for real estate and 75% for subsidiaries, as stipulated in the Corporate Tax Law, or are kept in a special fund account in liabilities for 5 years. is exempt from tax. However, with the Law No. 7456 published on 15.07.2023, this exception has been abolished for real estates to be acquired after the publication date of the decision; If real estate acquired before this date is sold after the effective date of the decision, 25% of the real estate sales gain will be exempt from corporate tax.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxation (Continued)

According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period corporate income for a period not exceeding 5 years. However financial losses can not be offsetted from last year's profits.

In Turkey, there is no practice of reaching an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office by the evening of the last day of the fourth month following the month in which the accounting period closes. However, the authorities authorized for tax inspection may examine the accounting records within five years, and if incorrect transactions are detected, the tax amounts to be paid may change.

Current tax effects related to transactions directly recognized in equity are also shown in equity. Within the framework of the provision of Article 298/A of the Tax Procedure Law, the conditions required for inflation adjustment in the corporate tax calculation have been met as of the end of the 2021 calendar year. However, with the regulation made by Law No. 7352 dated 20.01.2022, the application of inflation correction in the corporate tax calculation has been postponed to 2023. According to this; VUK financial statements for the 2021 and 2022 accounting periods, including provisional tax periods, have not been subjected to inflation correction, and the 2023 accounting period; It will not be subject to inflation adjustment as of provisional tax periods, and the TPL financial statements dated 31.12.2023 will be subject to inflation adjustment regardless of whether inflation adjustment conditions are met or not. The profit/loss difference resulting from inflation adjustment in VUK financial statements will be shown in the previous years' profit/loss accounts and will not affect the corporate tax base.

With the regulation made in the Repeated Article 298/Ç and Provisional Article 32 of the Tax Procedure Law, companies have been given the opportunity of permanent and temporary revaluation. Accordingly, as of the beginning of the 2022 accounting period, our Bank first brought its fixed assets registered in its assets to their current values in accordance with the TPL Provisional Article 32, and then revalued them in accordance with the TPL Article 298/Ç. As a result of these transactions, VUK depreciation figures that will be subject to corporate tax will be calculated based on the revalued current amounts. In accordance with the relevant legislation, the resulting value increase amounts are shown in a special fund account under shareholders' equity.

Deferred Tax

The Bank calculates and reflects deferred tax in its records in accordance with the provisions of the "Turkish Accounting Standard on Income Taxes" ("TMS 12") for taxable temporary differences that arise between the book value of an asset or liability and its tax base value determined in accordance with tax legislation. As of September 30, 2023, deferred tax is calculated at 30% and as of December 31, 2022, deferred tax is calculated at 25%.

Law No. 7394 on the Valuation of Immovable Properties Owned by the Treasury and Amendments to the Value Added Tax Law, which entered into force after being published in the Official Gazette No. 31810 dated April 15, 2022, and Article 26 of the Law No. 5520 on Amending Certain Laws and Decree Laws. With the paragraph added to the temporary article 13 of the Corporate Tax Law, it is stated that the Corporate Tax rate will be rearranged for corporate earnings for the 2022 taxation period and the tax rate for banks will be applied as 25%.

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the legal tax base calculation, according to the balance sheet method, taking into account the legal tax rates. The bank has calculated deferred tax based on 30% of its assets and liabilities as of September 30, 2023. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profits in the future.

The calculated deferred tax asset and deferred tax liability are netted in the unconsolidated financial statements.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. Additional Explanations on Funds Borrowed

The Bank has not issued any convertible bonds.

The Bank has not also issued any borrowing instruments.

Cash Warrants Received

Guarantee Fund purchased within the scope of BİAŞ Markets, BİAŞ Debt and Equity Markets, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Takasbank Equity Lending Market (ÖPP), Renewable Energy Resource Guarantee Market (YEK-G), Forward Natural Gas Market (VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BİAŞ Money Market and BİAŞ Precious Metals Market, BİAŞ Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, vehicle swapping, Cash collateral amounts related to Turkey Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), public guarantee management service and other services are monitored in Banks in assets and in Funds in liabilities. The funds in question ensure that in case of cash default of the debtor members, the creditor members are not affected by the delay. Cash guarantee mechanisms have been established to serve the purpose of ensuring a continuous cash flow in the market by making the payments on time and accurately.

XIX. Explanations on Issuance of Equity Securities

The Bank does not have any shares issued in the current period.

XX. Explanations on Acceptances

The Bank performs acceptances with its customers simultaneously and follows them in off balance sheet liabilities.

The Bank has no acceptances that have been included as a liability against an asset.

XXI. Explanations on Government Incentives

There are no government incentives utilized by the Bank as of the balance sheet date.

XXII. Explanations on Segment Reporting

Operational segment is distinguishable section of the Bank that has different characteristics from other operational segments per earning and conducts the presentation of service group, associated bank products or a unique product. Reporting on operating segments is disclosed in Note VIII in Section Four.

XXIII. Related Parties

For the purpose of these financial statements, shareholders, key management personnel and board members associated with companies controlled by their families and themselves or affiliated companies, associates and joint ventures are referred to as related parties in accordance with TAS 24 - Related Party Disclosures.

XXIV. Cash and Cash Equivalents

For the purposes of the preparation of statement of cash flows, "Cash" includes cash, effectives, and cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and "Cash equivalents" include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXV. Investment Properties

Property, and land and buildings held for the purpose of earning rent or appreciation or for both, rather than being used in the production of goods and services or sold for administrative purposes or during the normal course of business are classified as "investment property". Bank is valued Investment Properties with fair value method in accordance with the Turkish Accounting Standard 40 (TAS 40) "Investment Property". Any gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they are incurred.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXVI. Reclassification

None.

XXVII. Explanations on TFRS 16 Leases standards

The Bank has put TFRS 16 Leases standard into use starting from January 2019 for operational leasing transactions that the Bank is a counterparty. For the transactions the Bank is lessee, the Bank used the model the standard projects except for the low value assets and short term leasings (1 year or less).

TFRS 16 Leases standard removes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the present accounting of finance leases which is balance sheet based, singular accounting model. For lessors, the accounting stays almost the same. The Bank has started to apply the TFRS 16 Leases standard as of 1 January 2019. As of 30 September 2023, the Bank's right of use asset, which is classified in the tangible assets, is TL 6,851 and the lease liability is TL 1,250 as of 30 September 2023.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders' Equity

In accordance with the Board decision dated 31 January 2023 and numbered 10496, the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated 23 October 2015 and numbered 29511, specified in the Board Decision dated 28.04.2022 and numbered 10188. In the calculation; The practice of using the Central Bank's foreign exchange buying rate as of December 31, 2021, when calculating the valued amounts of monetary assets and non-monetary assets, other than foreign currency items measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts; It has been decided to continue using the Central Bank foreign exchange buying rate of 30 December 2022 until a Board Decision to the contrary is taken. While performing bank calculations, this opportunity is used starting from the date of publication of the relevant Board decision.

The Bank's current period equity capital is TL 5,857,363 (31 December 2022: TL 4,548,037), capital adequacy standard ratio is 20.61% (31 December 2022: 14.81%). The Bank's capital adequacy standard ratio is above the minimum rate defined by legislation.

Summary information related to the capital shareholders' equity:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	600,000	600,000
Share issue premiums	33,019	33,019
Reserves	3,002,798	2,136,676
Gains recognized in equity as per TAS	-	-
Profit	2,283,417	1,754,924
Current Period Profit	2,260,614	1,732,121
Prior Period Profit	22,803	22,803
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	5,919,234	4,524,619
Deductions from Common Equity Tier 1 Capital	-	-
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	18,760	7,681
Improvement costs for operating leasing	-	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	172,369	125,517
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	4,825	4,825
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	195,954	138,023
Total Common Equity Tier 1 Capital	5,723,280	4,386,596

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity Tier I Capital+Additional Tier I Capital)	5,723,280	4,386,596
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	134,083	161,441
Tier II Capital Before Deductions	134,083	161,441
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	134,083	161,441

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

	Current Period	Prior Period
Total Capital (The sum of Tier I Capital and Tier II Capital)	5,857,363	4,548,037
Deductions from Total Capital	5,857,363	4,548,037
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	-
Other items to be defined by the BRSA	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
TOTAL CAPITAL	-	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	5,857,363	4,548,037
Total risk weighted amounts	28,418,600	30,709,683
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	20.14	14.28
Tier 1 Capital Adequacy Ratio (%)	20.14	14.28
Capital Adequacy Ratio (%)	20.61	14.81
BUFFERS		
Bank specific total Common Equity Tier 1 Capital requirement (%)	2.5	2.5
a) Capital conservation buffer requirement (%)	2.5	2.5
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic significant bank buffer ratio	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	-	-
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Remaining Mortgage Servicing Rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	134,083	161,441
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	134,083	161,441
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(1) "The amounts to be taken into account at the end of the transition period are shown for the items subject to the transition provisions under the Provisional Articles of the "Regulation on Shareholders' Equity of Banks".

(2) Prior period adjustments stated in Note XXVII. Explanations on other matters in section three are not reflected.

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

Information on addition debt instruments to shareholders' equity calculating:

None.

Information on applied approaches in order to evaluate internal capital adequacy within the scope of internal capital adequacy evaluation of internal capital requirement in terms of future and current activities:

The evaluation period for internal capital adequacy in the Bank has been designed within in accordance with the principle of proportionality and is consistent with the Guidelines on ICAAP Report and Guidelines on Stress Tests To Be Used By Banks For Capital and Liquidity Planning which is published by the Banking Regulation and Supervision Agency, and with the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process (ICAAP) which entered into effect upon being published in Official Gazette No. 29057 dated 11 July 2014.

The Bank is in compliance with the said regulation and good practice guidelines in line with its small-scale structure, task environment, and requirements. In accordance with ICAAP, it is aimed for the Bank to internally determine a level of capital which covers the risks it has faced or is likely to face and to continue its operations with capital above that level. Maximum attention is paid to the ICAAP processes so that they are implemented with a long-term view and are risk focused, internalized within the Bank and that its consequences are used in the decision-making process.

Evaluations of the Bank's capital and liquidity adequacy are done from a risk-based perspective, considering the strategic plan, three-year budget projections, bank policies on capital adequacy, liquidity and funding, risk measurement outcomes for risks that the company is exposed to ICAAP and stress test reports. Within this scope, activities performed and services provided by the Bank are considered.

The Bank determines its capital level in such a way that it is above the minimum level and legal ratios required by the legal regulations of the Banking Regulation and Supervision Agency, and so that it is able to continue all its operations. Also, scenario analyses, and particular, plenary, and reverse-stress tests are done in order to measure the effects of parameters that affect the financial power of the Bank at the capital level. In addition, via sensitivity analyses, first and secondary structural block risks that the Bank is exposed to are determined within the scope of the proportionality principle.

The Bank takes stress tests, scenario analyses, risk appetites, the capital plan, the strategic plan and budget, the emergency and unexpected situation action plan for various risks, and other issues deemed necessary into consideration, and calculates and establishes a capital planning buffer, which is designed to prevent the capital adequacy level from becoming lower than the internal and legal minimum capital adequacy over the next three years as a result of possible negative situations and losses. The capital planning buffer is determined by considering worst case scenarios. However, the legal capital adequacy ratio determined by the BRSA as at least 12% and the ratio of the internal capital requirement calculated under the stress test are compared. The larger of these ratios is considered as the target ratio and it is evaluated whether the current capital adequacy ratio of the Bank is above the target rate.

According to the "Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks", the ICAAP report and the Stress Test report are prepared annually with the participation of all relevant units of the Bank and the coordination of the Risk Management Unit. These reports are approved by the Board of Management or the Bank after being examined.

The senior management of the Bank and members of the Board of Management are jointly responsible for designing ICAAP and its implementation within the Bank. All units of the Bank execute their duties, authorities, and responsibilities which are within the scope of ICAAP in accordance with their own regulations. The inspection report regarding the data, systems, and processes is prepared by the Internal Audit Unit, and the validation report regarding the models and/or methods that are used for risk measurement within the scope of the internal capital adequacy calculation is prepared by the Internal Control and Compliance Unit.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Currency Risk

Except for the foreign currency that the Bank holds for its own transactions pursuant to foreign exchange and custody transaction commissions, foreign exchange contracts, Guarantee Fund received within the scope of BİAŞ Markets, BİAŞ Debt and Equity Markets, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Takasbank Equity Lending Market (ÖPP), Renewable Energy Resource Guarantee Market (YEK-G), Natural Gas Futures Market (VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BİAŞ Money Market and BİAŞ Precious Metals Market, BİAŞ Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, vehicle clearing, Turkey Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), public guarantee management service and other services. With the guarantees received for the related bank and other foreign currency deposited in the Bank's accounts, intermediary institutions, banks and other financial institutions is exposed to exchange rate risk due to the foreign currency remaining in the free accounts of its customers, and market risk is calculated within this scope. However, with the Communiqué on Required Reserves numbered 2013/15, the liabilities subject to required reserves have been amended, and since the obligations specified in the new communiqué are not in the Bank, required reserves are not established at the CBRT.

The Bank calculated a net long foreign exchange of TL 474,030 (31 December 2022: TL 57,853) for the net position between assets and liabilities in foreign currency, and recognised it in the amount basis to market risk.

Recognizing FX transactions of the Bank, the risk management policy that is also regarded in TL transactions is used and asset liability is managed so as not to be exposed to foreign exchange risk in transactions that affect FX assets and liabilities.

The Bank's foreign CBRT exchange bid rates as of the date of the financial statements and five working days prior to that date:

Current Period	1 USD	1 EUR	1 GBP	100 JPY
Current Exchange Rate on Balance Sheet Date	27.3767	29.0305	33.4816	18.3267
1 st Business Day's Current Exchange Rate	27.3752	28.8083	33.2751	18.2883
2 nd Business Day's Current Exchange Rate	27.2640	28.7853	33.0617	18.2389
3 rd Business Day's Current Exchange Rate	27.2108	28.8183	33.0850	18.2264
4 th Business Day's Current Exchange Rate	27.1751	28.9027	33.1842	18.2490
5 th Business Day's Current Exchange Rate	27.1039	28.8483	33.1659	18.2344
Simple arithmetic averages for last 30 days	26.9607	28.8300	33.4111	18.2210

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Currency Risk (Continued)

Information on the foreign currency risk of the Bank:

Current Period	EURO	USD	Other	Total
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with The Central Bank of the Republic of Turkey	-	-	-	-
Banks	9,106,629	12,483,759	177,358	21,767,746
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	661	-	-	661
Loans	-	-	-	-
Investments in associates, subsidiaries and joint ventures	-	-	-	-
Financial assets measured at amortised cost	-	5,028,768	-	5,028,768
Hedging derivative financial assets	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	2,163	7,107	-	9,270
Total Assets	9,109,453	17,519,634	177,358	26,806,445
Liabilities				
Bank deposits	-	-	-	-
Foreign currency deposits	-	-	-	-
Money market funds	-	-	-	-
Funds provided from other financial institutions	566,217	4,855,375	-	5,421,592
Securities issued	-	-	-	-
Funds	8,438,889	18,591,587	176,988	27,207,464
Hedging derivative financial liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	9,005,106	23,446,962	176,988	32,629,056
Net Balance Sheet Position	104,347	(5,927,328)	370	(5,822,611)
Net Off-Balance Sheet Position				
Financial derivative assets	-	6,296,641	-	6,296,641
Financial derivative liabilities	-	6,296,641	-	6,296,641
Non-cash loans	-	-	-	-
Prior Period				
Total assets	7,492,386	13,993,003	80,929	21,566,318
Total liabilities	7,453,273	13,974,519	80,673	21,508,465
Net Balance Sheet Position	39,113	18,484	256	57,853
Net Off-Balance Sheet Position				
Financial derivative assets	-	-	-	-
Financial derivative liabilities	-	-	-	-
Non-cash loans	-	-	-	-

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Interest Rate Risk

Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Bank.

Cash requirement for every maturity period are determined based on maturity distribution analysis (Gap). In addition, a positive spread between the yield on assets and the cost of liabilities is kept while determining interest rates.

To evaluate its funding resources, the Bank enters into foreign currency and TL depot transactions, repurchase agreements, time and demand deposit transactions and foreign exchange transactions with the Central Bank of Turkey or other banks. At the same time, securities transactions can be carried out through the broker's trading terminals. The related transactions undertaken by the Fund Management Department are made with the banks having transaction limits designated by the Board of Directors under the regulations set out in "Treasury Transaction Limits".

Other than securities guaranteed or issued by the Turkish Treasury, the Bank includes Government Debt Securities and debt securities issued by Banks, which established in Turkey in its portfolio during the year 2022 and 2023. The Bank does not undertake any liability due to using derivative financial instruments attributable to its transactions in evaluating its funding resources.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on reprising dates):

End of Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing⁽²⁾	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic Turkey	-	-	-	-	-	194	194
Banks ⁽²⁾	106,486,598	1,505,530	-	-	-	2,890,134	110,882,262
Financial assets at fair value through profit and loss	-	-	-	-	41,269	1,004	42,273
Money market placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	4,332	4,332
Loans ⁽³⁾	3,587,443	-	-	-	-	-	3,587,443
Financial assets measured at amortised cost ⁽⁴⁾	674,641	1,962,401	1,734,272	653,852	394,144	-	5,419,310
Other assets ⁽¹⁾	333,667	-	-	-	-	873,118	1,206,785
Total Assets	111,082,349	3,467,931	1,734,272	653,852	435,413	3,768,782	121,142,599
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-
Miscellaneous payables	29,642,713	-	-	-	-	79,198,576	108,841,289
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	5,421,592	-	-	-	-	-	5,421,592
Other liabilities ⁽²⁾	-	-	-	-	-	6,879,718	6,879,718
Total Liabilities	35,064,305	-	-	-	-	86,078,294	121,142,599
Balance sheet long position	76,018,044	3,467,931	1,734,272	653,852	435,413	-	82,309,512
Balance sheet short position	-	-	-	-	-	(82,309,512)	(82,309,512)
Off-balance sheet long position	547,534	5,749,107	-	-	-	-	6,296,641
Off-balance sheet short position	552,143	5,887,497	-	-	-	-	6,439,640
Total Position	77,117,721	15,104,535	1,734,272	653,852	435,413	(82,309,512)	12,736,281

⁽¹⁾ Explanations of other assets and other liabilities are provided below.

⁽²⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Non-interest bearing" column.

⁽³⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

⁽⁴⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "3-12 Month" column.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Interest Rate Risk (Continued)

End of Previous Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing⁽²⁾	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic							
Turkey	1,028,407	-	-	-	-	1,451	1,029,858
Banks ⁽²⁾	76,763,734	886,942	-	-	-	694,786	78,345,462
Financial assets at fair value through profit and loss	-	-	-	-	63,652	1,056	64,708
Money market placements	-	-	-	-	-	-	-
Financial assets available-for-sale	-	-	-	-	-	4,332	4,332
Loans ⁽³⁾	2,678,414	-	-	-	-	-	2,678,414
Held-to-maturity investments ⁽⁴⁾	88,204	-	2,373,311	-	438,670	-	2,900,185
Other assets ⁽¹⁾	3,333	-	-	-	-	778,280	781,613
Total Assets	80,562,092	886,942	2,373,311	-	502,322	1,479,905	85,804,572
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	206,603	-	-	-	-	-	206,603
Funds	15,963,165	-	-	-	-	57,837,284	73,800,449
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	6,821,660	-	-	-	-	-	6,821,660
Other liabilities ⁽¹⁾	-	-	-	-	-	4,975,860	4,975,860
Total Liabilities	22,991,428	-	-	-	-	62,813,144	85,804,572
Balance sheet long position	57,570,664	886,942	2,373,311	-	502,322	-	61,333,239
Balance sheet short position	-	-	-	-	-	(61,333,239)	(61,333,239)
Off-balance sheet long position	-	-	-	-	-	-	-
Off-balance sheet short position	-	-	-	-	-	-	-
Net Position	57,570,664	886,942	2,373,311	-	502,322	(61,333,239)	-

⁽¹⁾ Explanations of other assets and other liabilities are provided below.

⁽²⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

⁽³⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

⁽⁴⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

Other Assets	Current Period	Prior Period
Intangible assets	172,369	125,517
Custody services comission rediscount	166,090	120,718
Investment properties	141,630	141,630
Deferred tax asset	106,028	43,267
Temporary accounts	18,616	12,627
Tangible assets	124,621	32,355
Miscellaneous receivables	304,140	300,282
Derivative financial assets	168,040	-
Subsidiaries	4,825	4,825
Stationary supplies	426	392
Total	1,206,785	781,613

Other Liabilities	Current Period	Prior Period
Shareholder's equity	5,900,474	4,516,938
Provisions	294,685	221,393
Current tax liability	682,178	232,854
Lease liabilities	1,250	4,675
Derivative financial liabilities	1,131	-
Total	6,879,718	4,975,860

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Interest Rate Risk (Continued)

Interest rate risk on banking accounts:

Type of Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity (Losses)/Equity
TRY	(+) 500 bp	(150,177)	(0.026)
TRY	(-) 400 bp	124,543	0.021
EUR	(+) 200 bp	(6,646)	(0.001)
EUR	(-) 200 bp	6,781	0.001
USD	(+) 200 bp	(73,649)	(0.013)
USD	(-) 200 bp	78,301	0.013
Total (of negative shocks)		209,625	0.036
Total (of positive shocks)		(230,472)	(0.039)

Average interest rates applied to monetary financial instruments (%):

Current Period End Balance	EUR	USD	JPY	TL
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the Central Bank of Turkey	-	-	-	-
Due from other banks	4.94	6.78	-	32.13
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Loans	-	-	-	34.00
Financial assets measured at amortized cost	-	7.19	-	8.91
Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	-
Funds	-	-	-	27.23
Securities issued	-	-	-	-
Funds borrowed	3.87	-	-	-
Prior Period End Balance	EUR	USD	JPY	TL
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the Central Bank of Turkey	-	-	-	-
Due from other banks	3.73	5.94	-	11.07
Financial assets at fair value through profit and loss	-	-	-	9.40
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Loans	-	-	-	15.28
Financial assets measured at amortized cost	2.07	7.09	-	15.45
Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	9.00
Funds	-	-	-	10.24
Securities issued	-	-	-	-
Funds borrowed	1.95	4.46	-	-

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Equity share position risk in banking accounts

As of 30 September 2023, the Bank has no equity share position risk arising from the equity share and banking accounts (31 December 2022: None).

V. Explanations Related to Liquidity Risk

The Bank has received the Guarantee Fund within the scope of BİAŞ Markets, BİAŞ Debt and Equity Markets, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Takasbank Equity Lending Market (ÖPP), Renewable Energy Resource Guarantee Market (YEK-G), Natural Gas Futures Market (VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BİAŞ Money Market and BİAŞ Precious Metals Market, BİAŞ Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, vehicle In order to meet the risks that may arise from the exchange, Turkey Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), public guarantee management service and other transactions, it pays attention to work within guarantees and to keep most of the TL funds liquid. does not hold a foreign currency position.

The Bank's main liquidity management strategy is effectively handling of all money market instruments and this instruments' potential risks have influence upon the Bank's balance sheet. Even in the most uncertain market conditions, the Bank maintains risk minimization through reducing risks of market instruments, diversifying instruments, matching of maturities, and obtaining optimum liquidity level. For this reason, the Bank is significantly liquid and is a fund provider in the Over-the-Counter Money Market and CB Interbank markets. Turkish Lira and foreign currency sales transactions with banks are done within the limits determined by the Board of Directors and the compliance of these transactions with limit conditions are controlled by the Internal Control and Legal Compliance Unit periodically.

The interest rates of payments, assets and liabilities are matched. Since there is no mismatch, there is no need for the measurement of the effect on profitability.

The Bank's short and long-term liquidity needs are met by internal and external resources.

The Bank's cash flows, its own funds and the amounts remaining in the free accounts of the members, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Equity Lending Market (ÖPP), Renewable Energy Resource Guarantee Market (YEK-G), Forward Natural Gas Market(VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BİAŞ Money Market and Precious Metals Market, BİAŞ Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, TEFAS, public Cash collaterals received for reasons such as cash collateral for other services related to the collateral management service are evaluated at other banks in the over-the-counter market in overnight terms to manage the liquidity risk.

The Bank manages its liquidity risk by having enough cash and cash equivalent resources in order to meet present and probable debt obligations, by being able to close short positions and by being able to fund loan requirements.

Liquidity position is assessed and managed considering the market-wide and Bank-specific factors. The most important scenario among these scenarios is to maintain the ratio of net liquid assets/payables to clients in limits.

According to the Decree of the Banking Regulation and Supervision Board dated 24 December 2015 and numbered 6613, for development and investment banks, it has been decided to apply the total and foreign currency liquidity adequacy ratios related to the first and second maturity brackets according to the first paragraph of Article 13 of the Regulation Regarding the Measurement and Evaluation of Banking Liquidity Adequacy and to continue to report to the Authority.

According to the fifth section of Article 4 of the Regulation on the Calculation of Liquidity Cover Ratio of Banks, it was decided that the ratio of consolidated and unconsolidated total and foreign currency liquidity coverage ratios shall be zero percentage.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations Related to Liquidity Risk (Continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Undistributed ⁽¹⁾	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the Central Bank of Turkey	194	-	-	-	-	-	-	194
Banks	2,890,134	106,486,598	1,505,530	-	-	-	-	110,882,262
Financial assets at fair value through profit and loss	1,004	-	-	-	-	41,269	-	42,273
Money market placements	-	-	-	-	-	-	-	-
Fair value with changes in other comprehensive income	4,332	-	-	-	-	-	-	4,332
Loans ⁽²⁾	-	3,587,443	-	-	-	-	-	3,587,443
Financial assets measured at amortized cost	-	674,641	1,962,401	1,734,272	653,852	394,144	-	5,419,310
Other assets ⁽¹⁾	-	333,667	-	-	-	-	873,118	1,206,785
Total Assets	2,895,664	111,082,349	3,467,931	1,734,272	653,852	435,413	873,118	121,142,599
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed	-	5,421,592	-	-	-	-	-	5,421,592
Money market borrowings	-	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-	-
Funds	79,198,576	29,642,713	-	-	-	-	-	108,841,289
Other liabilities	-	111,204	591,864	93,443	-	-	6,083,207	6,879,718
Total Liabilities	79,198,576	35,175,509	591,864	93,443	-	-	6,083,207	121,142,599
Current Period Liquidity (Gap)/surplus	(76,302,912)	75,906,840	2,876,067	1,640,829	653,852	435,413	(5,210,089)	-
Net off-Balance sheet position								
Receivables from derivative financial instruments	-	547,534	5,749,107	-	-	-	-	6,296,641
Liabilities from derivative financial instruments	-	552,143	5,887,497	-	-	-	-	6,439,640
Non-Cash Loans	-	47,970,931	10,493	345,324	-	-	-	48,326,748
Prior Period								
Total assets	701,625	80,562,092	886,942	2,373,311	-	502,322	778,280	85,804,572
Total liabilities	57,837,284	23,047,376	-	237,492	4,412	-	4,678,008	85,804,572
Liquidity (Gap)/surplus	(57,135,659)	57,514,716	886,942	2,135,819	(4,412)	502,322	(3,899,728)	-
Net off-Balance sheet position								
Receivables from derivative financial instruments	-	-	-	-	-	-	-	-
Liabilities from derivative financial instruments	-	-	-	-	-	-	-	-
Non-Cash Loans	-	85,036,149	3,191,188	1,919,810	-	-	-	90,147,147

⁽¹⁾ Accounts that constitute the balance sheet assets such as fixed assets, participation and subsidiaries, prepaid expenses, receivables for follow up those are required to maintain banking operations and are not convertible to cash in short term period are recorded into this account.

⁽²⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

⁽³⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "3-12 Month" column.

Securitization positions:

The Bank does not apply securitisation as of 30 September 2023 (31 December 2022: None).

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations Related to Leverage Ratio:

a) Information on issues that cause differences between current period and previous period leverage ratios:

The leverage ratio calculated by the Bank in accordance with the “Regulation on Measurement and Assessment of Leverage of Banks” is 4.26% (31 December 2022: 2.55%). This ratio is above the minimum ratio and the regulation stipulates the minimum leverage ratio as 3%. The increase in the off-balance sheet transactions and the decrease in the main capital amount due to the profit distributions are the main reason for the change in the leverage ratio compared to the previous period.

b) Leverage ratio:

	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
Assets on the balance sheet		
Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	114,010,979	80,016,265
(Assets deducted from core capital)	(187,992)	(135,836)
Total risk amount for assets on the balance sheet	113,822,987	79,880,429
Derivative financial instruments and credit derivatives		
Renewal cost of derivative financial instruments and loan derivatives	11,885,998	-
Potential credit risk amount of derivative financial instruments and loan derivatives	-	-
Total risk amount of derivative financial instruments and loan derivatives	11,885,998	-
Financing transactions with securities or goods warranties		
Risk amount of financing transactions with securities or goods warranties (excluding those in the balance sheet)	-	-
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	-	-
Off-the-balance sheet transactions		
Gross nominal amount of the off-balance sheet transactions	3,945,595	81,402,099
(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
Total risk amount for off-balance sheet transactions	3,945,595	81,402,099
Capital and total risk		
Tier 1 capital	5,520,874	4,119,327
Total risk amount	129,654,579	161,282,528
Leverage ratio		
Leverage ratio (%)	4.26	2.55

⁽¹⁾ The amounts in the table are calculated by using the quarterly average amounts.

VII. Risk management objectives and policies

The purpose of the risk management system is to define, measure, track, and report the risks, through policies, implementing procedures, and limitations identified to track, control, and, when necessary, change the risk-gain structure of future cash flows of the Bank and therefore the nature and level of its activities.

The purpose of the internal capital adequacy assessment process (ICAAP) is to internally determine the capital level which is adequate to compensate for the risks that the Bank is or is likely to be exposed to and to enable the Bank to continue its operations with capital above this level.

When establishing and implementing the Risk Management System and ICAAP, the proportionality principle is considered, in accordance with BRSA legislation and good practice guidelines.

The general risk policy of the Bank is to perform its activities taking manageable, controllable, and reasonable risks, which maintain the balance between income and expenses. The Bank manages its risks in such a way that they stay above and below the minimum and the maximum levels stated in the regulations published by the BRSA and below the risk appetite confirmed by the Board of Directors.

The risk capacity of the Bank is decided in accordance with its capital adequacy policy. When doing capital and liquidity planning, the current and under-stress liquidity requirements of the Bank as well as its risk appetite and capacity, are considered together.

The fund management strategy of the Bank is designed to avoid any liquidity problems, to sustain optimization of the risk-income balance, and to obtain maximum benefits from resources while taking a reasonable level of risk.

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Risk management objectives and policies (Continued)

The footnotes and related explanations prepared in accordance with the Communiqué on “Public Disclosures related with Banks’ Risk Management Regulations” published in Official Gazette No. 29511 on 23 October 2015 and entered into force as of 31 March 2016 are given in this section. The following tables, which should be given in quarterly periods in accordance with the related communiqué, have not been presented as of 30 September 2023 as the standard approach is used in the calculation of Bank’s capital adequacy.

- Risk Weighted Assets (RWA) flow statements of credit risk under internal rating-based (IRB) approach
- RWA flow statements of Counterparty Credit Risk (CCR) exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an internal model approach (IMA)

a) Overview of risk management and RWA

	Risk Weighted Amounts		Minimum Capital
	Current Period	Prior Period	Current Period
Credit risk (excluding counterparty credit risk)	24,653,253	28,598,828	1,972,260
Standardised approach	24,653,253	28,598,828	1,972,260
Internal rating-based approach	-	-	-
Counterparty credit risk	-	-	-
Standardised approach for counterparty credit risk	-	-	-
Internal model method	-	-	-
Basic risk weight approach to internal models equity position in the banking account	-	-	-
Investments made in collective investment companies-look through approach	-	-	-
Investments made in collective investment companies-mandate-based approach	-	-	-
Investments made in collective investment companies-1250% weighted risk approach	-	-	-
Settlement risk	-	-	-
Securitization exposures in banking book	-	-	-
IRB ratings-based approach	-	-	-
IRB supervisory formula approach	-	-	-
SA/simplified supervisory formula approach	-	-	-
Market risk	485,653	58,906	38,852
Standardised approach	485,653	58,906	38,852
Internal model approaches	-	-	-
Operational risk	3,279,694	2,051,949	262,376
Basic Indicator approach	3,279,694	2,051,949	262,376
Standard approach	-	-	-
Advanced measurement approach	-	-	-
The amount of the discount threshold under the equity(subject to a 250% risk weight)	-	-	-
Floor adjustments	-	-	-
Total	28,418,600	30,709,683	2,273,488

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations on Segment Reporting

The Bank operates mainly in clearing-operation, custody, loans and treasury.

Current Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Cash and Balances with Central Bank	-	-	194	-	194
Financial Assets At Fair Value Through Profit/Loss (Net)	-	-	-	42,273	42,273
Banks	-	-	110,882,262	-	110,882,262
Money Markets	-	-	-	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-	4,332	-	4,332
Loans ⁽¹⁾	-	3,587,443	-	-	3,587,443
Financial Assets At Fair Value Through Amortized Cost ⁽²⁾	-	-	5,419,310	-	5,419,310
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4,825	-	4,825
Tangible Assets (Net)	-	-	-	124,621	124,621
Intangible Assets (Net)	-	-	-	172,369	172,369
Investment Properties (Net)	-	-	-	141,630	141,630
Tax Asset	-	-	-	106,028	106,028
Derivative Financial Assets	-	-	168,040	-	168,040
Other Assets	166,089	-	-	323,183	489,272
Total Assets	166,089	3,587,443	116,478,963	910,104	121,142,599
Funds Borrowed	-	-	5,421,592	-	5,421,592
Debts to the Money Markets	-	-	-	-	-
Funds	91,923,599	9,195,830	-	7,721,860	108,841,289
Lease Liability	-	-	-	1,250	1,250
Derivative Financial Liability	-	-	1,131	-	1,131
Provisions	-	4,325	-	290,360	294,685
Tax Liability	-	-	-	682,178	682,178
Shareholder's Equity	-	-	-	5,900,474	5,900,474
Total Liabilities	91,923,599	9,200,155	5,422,723	14,596,122	121,142,599

The bank mainly operates in the fields of clearing-operations, custody services, credit and treasury transactions.

Prior Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Cash and Balances with Central Bank	-	-	1,029,858	-	1,029,858
Financial Assets At Fair Value Through Profit/Loss (Net)	-	-	-	64,708	64,708
Banks	-	-	78,345,462	-	78,345,462
Money Markets	-	-	-	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-	4,332	-	4,332
Loans ⁽¹⁾	-	2,678,414	-	-	2,678,414
Financial Assets At Fair Value Through Amortized Cost ⁽²⁾	-	-	2,900,185	-	2,900,185
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4,825	-	4,825
Tangible Assets (Net)	-	-	-	32,355	32,355
Intangible Assets (Net)	-	-	-	125,517	125,517
Investment Properties (Net)	-	-	-	141,630	141,630
Tax Assets	-	-	-	43,267	43,267
Other Assets ⁽³⁾	120,717	-	-	313,302	434,019
Total Assets	120,717	2,678,414	82,284,662	720,779	85,804,572
Funds Borrowed	-	-	6,821,660	-	6,821,660
Debts to the Money Markets	-	-	206,603	-	206,603
Funds	65,095,890	4,751,548	-	3,953,011	73,800,449
Lease Liability	-	-	-	4,675	4,675
Derivative Financial Liability	-	-	-	-	-
Provisions	-	60,558	-	160,835	221,393
Tax Liability	-	-	-	232,854	232,854
Shareholder's Equity	-	-	-	4,516,938	4,516,938
Total Liabilities	65,095,890	4,814,247	7,028,263	8,866,172	85,804,572

(1)It includes Expected Credit Loss allocated under IFRS 9.

(2) It includes Expected Credit Loss allocated under IFRS 9.

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations on Segment Reporting (Continued)

Current Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Net interest income	2,422	704,646	2,233,414	-	2,940,482
Net fees and commissions income and other operating income	1,749,197	-	-	-	1,749,197
Dividend income	-	-	41,000	-	41,000
Trading profit/loss	-	-	63,256	-	63,256
Other operating receivables	-	-	-	95,576	95,576
Impairment provision for loans and other receivables	-	31,937	-	-	31,937
Other operating expenses	-	-	-	(1,742,906)	(1,742,906)
Profit before taxes	1,751,619	672,709	2,337,670	(1,647,330)	3,114,668
Tax provision	-	-	-	(854,054)	(854,054)
Net profit for the period	1,751,619	672,709	2,337,670	(2,501,384)	2,260,614

Prior Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Net interest income	-	135,847	896,915	-	1,032,762
Net fees and commissions income and other operating income	680,181	117,559	-	-	797,740
Dividend income	-	-	29,446	-	29,446
Trading profit/loss	-	-	9,774	-	9,774
Other operating receivables	-	-	-	13,480	13,480
Impairment provision for loans and other receivables	-	(36,871)	-	-	(36,871)
Other operating expenses	-	-	-	(433,174)	(433,174)
Profit before taxes	680,181	216,535	936,135	(419,694)	1,413,157
Tax provision	-	-	-	(341,708)	(341,708)
Net profit for the period	680,181	216,535	936,135	(761,402)	1,071,449

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations Related to the Assets

1. Information on Cash and Balances with the Central Bank of Turkey:

1.a) Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	106	-	1,431	1,028,407
Cash/foreign currency	88	-	20	-
Other	-	-	-	-
Total	194	-	1,451	1,028,407

1.b) Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	106	-	1,431	-
Unrestricted time deposit	-	-	-	1,028,407
Restricted time deposit	-	-	-	-
Total	106	-	1,431	1,028,407

1.c) Information on required reserves:

In accordance with the Official Statement numbered 2013/15 about Required Reserves, liabilities that are subject to required reserves have been changed. Required reserves are not kept in the Central Bank of Turkey as the liabilities stated in the newly announced Official Statement are lacked in the Bank.

1.d) Explanations on Mandatory Securities Establishment:

With the Communiqué No. 2022/20 on the Establishment of Turkish Lira Securities for Foreign Currency Liabilities, the liabilities have been amended. With the regulation numbered 2022/23, the name of the communiqué was changed to "Communiqué on the Establishment of Securities". Within the scope of the obligations specified in the new communiqué, as of 30 September 2023, the establishment of Compulsory Securities will be established on the blocked account on 27 October 2022.

2. Information on financial assets at fair value through profit and loss (net):

2.a) Information on financial assets at fair value through profit or loss (combination with net values):

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Assets for Trading Purposes				
Forward Transactions	41,269	-	63,652	-
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options Transactions	-	-	-	-
Others	1,004	-	1,056	-
Total	42,273	-	64,708	-

2.b) Information on marketable securities representing the Bank's share: None (31 December 2022: None).

2.c) Information on other financial assets: None (31 December 2022: None).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

3. Information on Banks

3.a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	89,232,455	18,879,171	60,425,866	17,313,258
Foreign	19	2,888,575	6	694,176
Branches and overseas head office	-	-	-	-
Total	89,232,474	21,767,746	60,425,872	18,007,434

As of 30 September 2023, an expected loss amounting to TL 117,958 has been allocated to the Banks accounts(31 December 2022: TL 87,844).

3.b) Information on foreign banks account:

	Unrestricted amount		Restricted amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	2,316,940	647,684	-	-
USA, Canada	571,654	46,498	-	-
OECD countries	-	-	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	2,888,594	694,182	-	-

3.c) Information on receivables from money markets

None. (31 December 2022: None)

4. Information on financial assets at fair value through other comprehensive income:

4.a) Information on equity instruments:

Name	Current Period			Prior Period	
	Acquired On	Amount	Ratio (%)	Amount	Ratio (%)
Türkiye Ürün İhtisas Borsası A.Ş. (TURİB)	25.07.2018	2,500	5.00	2,500	5.00
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.	03.01.2011	637	4.12	637	4.12
S.W.I.F.T.SCRL	24.04.2009	339	0.02	339	0.02
Borsa İstanbul A.Ş.	31.05.2013	324	0.15	324	0.15
SASE - Sarajevo Menkul Kıymetler Borsası	18.05.2011	322	5.00	322	5.00
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	29.07.2011	210	10.50	210	10.50
Total		4,332		4,332	

	Current Period	Prior Period
Debt securities	-	-
Quoted on a stock exchange	-	-
Not quoted on a stock exchange	-	-
Share certificates	4,332	4,332
Quoted on a stock exchange	-	-
Not quoted on a stock exchange	4,332	4,332
Impairment provision(-)	-	-
Total	4,332	4,332

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

5. Information on derivative financial assets:

a) i. Information on derivative financial assets at fair value through profit or loss (31 December 2022: None).

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap Transactions	168,040	-	-	-
Total	168,040	-	-	-

a) ii. Information on derivative financial assets at fair value through other comprehensive income: None (31 December 2022: None).

6. Information on loans:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	1,580,259	28,105,438	2,107,175	34,398,499
<i>Corporate shareholders</i>	1,580,259	28,105,438	2,107,175	34,398,499
<i>Real person shareholders</i>	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	-	-	-	-
Total	1,580,259	28,105,438	2,107,175	34,398,499

b) Information on loans with standard qualifications and close monitoring followed by restructured loans:

Cash Loans	Performing Loans	Loans under Follow-up		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
Current Period	3,591,072	-	-	-
Non-specialized loans	3,591,072	-	-	-
Business loans	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	3,591,072	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Other	-	-	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	3,591,072	-	-	-

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring		
	Loans (Total)	Revised contract terms		Loans (Total)	Revised contract terms
Restructure for extending the payment plan		Restructure for extending the payment plan	Restructure for extending the payment plan		
Prior Period	2,681,206	-	-	-	-
Non-specialized loans	2,681,206	-	-	-	-
Business loans	-	-	-	-	-
Export loans	-	-	-	-	-
Import loans	-	-	-	-	-
Loans given to financial sector	2,681,206	-	-	-	-
Consumer loans	-	-	-	-	-
Credit cards	-	-	-	-	-
Other	-	-	-	-	-
Specialized loans	-	-	-	-	-
Other receivables	-	-	-	-	-
Total	2,681,206	-	-	-	-

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

c) Information on consumer loans, individual credit cards, and personnel loans and personnel credit cards: None (31 December 2022: None).

d) Information on commercial loans with instalments and corporate credit cards: None (31 December 2022: None).

e) Loans according to borrowers:

	Current Period	Prior Period
Private	3,591,072	2,681,206
Public	-	-
Total	3,591,072	2,681,206

f) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	3,591,072	2,681,206
Foreign loans	-	-
Total	3,591,072	2,681,206

g) Loans granted to subsidiaries and associates: None (31 December 2022: None).

h) Information on non-performing loans (Net): None (31 December 2022: None).

i.) Information on non-performing loans (Net) (Continued):

i.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled: None (31 December 2022: None).

i.2) Information on movement of non-performing loans: None.

i.3) Information on foreign currency non-performing loans and other receivables: None (31 December 2022: None).

i.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

None (31 December 2022: None).

j) Expected loss provision:

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month expected credit losses	3,635	-	2,792	-
Significant increase in credit risk	-	-	-	-
Total	3,635	-	2,792	-

k) Information on write-off policy:

Not prepared according to the 25th provisional clause of “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

7. Information on financial assets measured at amortised cost:

7.a) i. Information on financial assets measured at amortised cost:

	Current Period	Prior Period
Government bonds	2,356,020	2,374,232
Treasury bills	-	-
Other public sector debt instruments	3,066,892	526,874
Total	5,422,912	2,901,106

7.a) ii. Information on government debt instruments:

	Current Period	Prior Period
Debt securities	5,422,912	2,901,106
<i>Quoted on a stock exchange</i>	<i>5,422,912</i>	<i>2,901,106</i>
<i>Not quoted on a stock exchange</i>	-	-
Impairment provision (-)	-	-
Total	5,422,912	2,901,106

7.a) iii. Movement of financial assets measured at amortised cost (Continued):

	Current Period	Prior Period
Beginning balance	2,901,106	4,835,980
Foreign currency differences on monetary assets	-	-
Purchases during year	6,438,193	5,269,658
Disposals through sales and redemptions ⁽¹⁾	(3,009,004)	(7,759,202)
Impairment provision (-)	-	-
Effect of valuation	(907,383)	554,670
Total	5,422,912	2,901,106

⁽¹⁾ All of disposals through sales and redemptions amount is from redemptions.

7.b) Information on expected credit loss provisions for financial assets

	Current Period	Prior Period
Other Financial Assets Measured by Amortized Cost	3,602	921
Treasury Loans	117,958	87,844
Miscellaneous Receivables	4,569	6,265
Total	126,129	95,030

7.c) Information on other financial assets: None. (31 December 2022: None).

8. Information on investments in associates (Net):

8.a) Information on consolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2022: None).

8.b) Information on the unconsolidated associates: None (31 December 2022: None).

8.c) Explanations of consolidated associates: None (31 December 2022: None).

8.d) Information on sector information on consolidated associates: None (31 December 2022: None).

8.e) Consolidated associates which are quoted on the stock exchange: None (31 December 2022: None).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations Related to the Assets (Continued)

9. Information on subsidiaries (Net):

9.a) Information on the unconsolidated subsidiaries:

Description	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank risk group's share percentage (%)
Merkezi Kayıt Kuruluşu A.Ş.	Istanbul / Türkiye	28,57	65

Total Assets ⁽¹⁾	Shareholder's Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profits / Losses	Fair Value
755,347	414,793	200,471	55,848	41,437	196,009	133,849	-

⁽¹⁾ Current period financial statements are obtained from unreviewed financial statements prepared as of 30 September 2023 in accordance with the TAS.

9.b) Information on the consolidated subsidiaries:

- Information on the consolidated subsidiaries: None (31 December 2022: None).
- Information on movement of consolidated subsidiaries: None (31 December 2022: None).
- Sectorial information on the consolidated subsidiaries: None (31 December 202: None).
- Consolidated subsidiaries quoted on the stock exchange: None (31 December 2022: None).

10. Information on entities under common control (joint ventures): None (31 December 2022: None).

11. Information on finance lease receivables (Net): None (31 December 2022: None).

12. Information on investment property:

As of 30 September 2023, the Bank's investment property amounting to TL 141,630 (31 December 2022: TL 141,630).

13. Information on assets held for sale and discontinued operations:

None (31 December 2022: None).

14. Explanations on deferred tax asset:

Deferred tax assets and liabilities are netted off as deferred tax liability in the balance sheet liabilities and explanations on deferred tax asset / liability for the current and previous period are given in Note II.6 of Section Five.

15. Information on other assets:

Other assets exceed 10% of the balance sheet total (excluding off balance sheet commitments). The details of other assets are presented below.

Allocation of other assets:

	Current Period	Prior Period
VIOP Guarantees	293,739	137,513
Custody and fee accruals	166,090	120,718
Invoice Payables	10,084	162,380
Prepaid expenses	18,616	12,627
Stationary supplies	426	392
Cash guarantees given	317	355
Other	-	34
Total	489,272	434,019

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities

1. Information on derivative financial liabilities:

- a) i. Information on derivative financial liabilities at fair value through profit or loss: As of September 30, 2023, the Bank has derivative liability balance of TL 1,131. (December 31, 2022: None).
- a) ii. Derivative financial liabilities at fair value through other comprehensive income: None (31 December 2022: None).

2. Information on funds borrowed:

- a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic banks and institutions	-	5,421,592	-	6,821,660
From foreign banks, institutions and funds	-	-	-	-
Total	-	5,421,592	-	6,821,660

- b) Information on money market debts:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	-	-	206,603	-
Total	-	-	206,603	-

- c) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	-	5,421,592	-	6,821,660
Medium and long-term	-	-	-	-
Total	-	5,421,592	-	6,821,660

- d) Additional explanation related to the concentrations of the Bank's major liabilities:

Bank's liabilities include taxes payables and other payables and cash collaterals, guarantee funds which members give for different markets.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities

3. Information on funds:

a) Information on borrowers' funds: None (31 December 2022: None).

b) Information on other funds:

The breakdown of funds which is the main liabilities of the Bank is as below:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash collaterals	73,349,714	18,466,470	56,607,745	12,318,209
Members' receivables	5,409,639	8,740,994	1,225,396	2,368,596
Capital Markets Board Share	-	-	-	-
Partners' Dividend Receivables	433,000	-	-	-
Expense accruals	20,873	-	15,616	-
Other ⁽¹⁾	2,420,599	-	1,264,887	-
Total	81,633,825	27,207,464	59,113,644	14,686,805

⁽¹⁾ Amounting of other consists of pool and guarantee fund accounts.

4. Explanations on financial lease liabilities (net):

a) Explanation on finance lease payables: None (31 December 2022: None).

b) Explanations regarding operational leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	-	-	-	-
Between 1-4 years	6,851	1,250	9,663	4,675
More than 4 years	-	-	-	-
Total	6,851	1,250	9,663	4,675

5. Information on provisions:

a) Information on employee termination benefits and unused vacation accrual:

Under Turkish Labour Law, the Bank is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to current 506 numbered Social Insurance Law's 6 June 1981 dated, 2422 numbered, 25 August 1999 dated and 4447 numbered with 60th article that has been changed. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002. The provision for employment termination benefits of the Bank is calculated over the TL 23,489.83 (31 December 2022: TL 15,371,40) (full TL) which is the maximum amount of employment termination benefits.

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

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ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

The main assumption is that the maximum liability for each year of service will increase in line with inflation. Accordingly, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Accordingly, in the accompanying financial statements as at September 30, 2023, provisions are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated using a real discount rate of 0.49% (December 31, 2022: 3.11% real discount rate). The estimated rate of severance payments that will not be paid but will be retained by the Bank as a result of voluntary resignations is also taken into consideration.

	Current Period	Prior Period
Total liabilities of employee terminations (Undiscounted)	56,919	34,537
Provision for employee termination (Presented in financial statements)	43,030	22,380
The ratio of provision to undiscounted total liabilities (%)	75.60	64.80

As of 30 September 2023, the Bank provided a reserve of TL 43.030 (31 December 2022: TL 22,380) for the unused vacation which classified under Reserve for Employee Benefits in the financial statements.

a.1) Movement of employee termination benefits:

	Current Period	Prior Period
As of January 1	22,380	10,647
Paid during the year	(964)	(1,813)
Actuarial (gain)/loss	15,827	9,447
Charge for the year	5,787	4,099
<i>Service charge</i>	2,559	1,440
<i>Interest charge</i>	3,228	2,659
Total	43,030	22,380

a.2) The reserve for employee benefits:

	Current Period	Prior Period
Unused vacation provision	49,180	22,329
Total	49,180	22,329

As of September 30, 2023, the Bank has recognized total vacation liability amounting to TL 49,180 (December 31, 2022: TL 22,329) under Provision for Employee Benefits in the financial statements.

b) Information on other provisions:

b.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2022: None).

b.2) Breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	Current Period	Prior Period
Provisions for CMB's Share Fee ⁽¹⁾	118,025	54,854
Provision for employee benefits	77,465	4,062
Provision for litigation	2,660	54,150
Expected Credit Losses ⁽²⁾	4,325	63,618
Total	202,475	176,684

⁽¹⁾ Consists of 12 months expected credit loss provisions for non-cash loans.

⁽²⁾ According to the related article of the Bank's Capital Markets Law, the board share to be paid to the Capital Markets Board in 2023 consists of an expense accrual (CMB Board Share).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities

	Current Period	Prior Period
Provision for litigation beginning balance	4,062	3,660
Additions	23	1,215
Payments (-)	-	(160)
Cancellations (-)	(1,425)	(653)
Provisions for cases year end	2,660	4,062

c) Liabilities Resulting from Retirement Benefits: None (31 December 2022: None).

c.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2022: None).

c.2) Liabilities resulting from all kinds of pension funds, foundations, which provide post-retirement benefits for the employees: None (31 December 2022: None).

6. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate tax:

	Current Period	Prior Period
Provision for corporate taxes	912,067	559,886
Prepaid taxes (-)	320,220	367,366
Corporate Income Tax Payable	591,847	192,520

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	591,847	192,520
Taxation on securities	41,819	19,945
Banking insurance transaction tax (BITT)	16,999	6,286
Value added tax payable	7,334	4,189
Other	673	336
Total	658,672	223,276

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employer	11,027	4,493
Social security premiums-employee	10,274	4,187
Unemployment insurance-employer	1,471	599
Unemployment insurance-employee	734	299
Total	23,506	9,578

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

6. Explanations on taxes payable: (Continued)

b) Explanations on deferred tax liabilities:

Distribution of deferred tax assets / (liabilities):

	Current Period		Prior Period	
	Accumulated Temporary Differences	Deferred tax asset / (liability)	Accumulated Temporary Differences	Deferred tax asset / (liability)
Provisions for severance pay	43,030	12,909	22,380	5,595
Vacation pay liability	126,645	37,993	77,183	19,296
CMB Board share provision - other provision	118,025	35,408	54,150	13,538
TFRS 9 provision for expected losses	134,084	40,225	161,441	40,360
Lawsuits and bonus	2,660	798	4,062	1,015
Internal yield and market value differences of financial assets and government securities measured at amortized cost	22,453	6,736	-	-
Interest accruals	821	246	647	162
TFRS 16 Leases	64	19	445	111
Deferred tax asset	447,782	134,334	320,308	80,077
Differences between the book value of fixed assets and tax value	(36,596)	(10,979)	(144,351)	(36,088)
Internal yield and market value differences of financial assets and government securities measured at amortized cost	-	-	(2,888)	(722)
Financial instruments value difference – from swap transactions	(57,758)	(17,327)	-	-
Deferred tax liability	(94,354)	(28,306)	(147,239)	(36,810)
Deferred tax assets / (liability), net:		106,028		43,267

Deferred tax asset transaction table :

	Current Period	Prior Period
As of January 1 (Previous period balance)	43,267	9,066
Deferred tax income / (expense)	58,013	31,839
Deferred tax recognized under equity	4,748	2,362
Deferred tax asset	106,028	43,267

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

7. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common stock ⁽¹⁾	600,000	600,000
Preferred stock		

(1) As of 30 September 2023, the Bank has totally 6,000,000,000 issued share certificates.

b) Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	2,451,602	1,889,914
Retained Earnings	-	-
Accumulated Losses	-	-
Foreign Capital Exchange Difference	-	-
Total	2,451,602	1,889,914

c) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank if so, and amount of registered share capital ceiling:

Registered share capital system is not applied as of the balance sheet date (31 December 2022: Not applied).

d) Other information on the share of capital increased through capital contributions performed during the current period and capital funds:

None (31 December 2022: None).

e) Information on share capital increases from capital reserves during the current period:

None (31 December 2022: None).

f) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments:

None (31 December 2022: None).

g) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

Due to the Bank's liquid position and good relations with other banks, the Bank has the means to provide low cost financing and place it in domestic market which leads to profits. In parallel with this, if similar circumstances will occur in the future, it can be predicted that profitability will increase and this will improve the equity of the Bank with retained profits.

h) Information on marketable securities valuation reserve:

None (31 December 2022: None).

i) Information on past year profit distribution:

As of the report date, no dividend payment has been made since the Bank's Ordinary General Assembly meeting has not been held yet.

j) Information on minority shares:

None (31 December 2022: None).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts

1. Information on off-balance sheet liabilities:

- a) Nature and amount of irrevocable loan commitments: None (31 December 2022: None).
- b) Possible losses and commitments related to off-balance sheet items including items listed below:
- b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits: At the balance sheet date, the bank TakasBank money market, Takasbank securities lending market, BIAŞ in the stock market, the OTC derivatives market, debt securities market bias, BIAŞ Swap market, money market, futures and options market bias and bias given guarantees on transactions other non-cash loans. the details are shown below.

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	-	-
With Original Maturity of One Year or Less	-	-
With Original Maturity of More than One Year	-	-
Other non-cash loans ⁽¹⁾	48,326,748	90,147,147
Total Non-Cash Loans	48,326,748	90,147,147

⁽¹⁾ Guarantees given to Takasbank Money Market, Takasbank Securities Lending Market, BIAŞ Debt Securities Market, BIAŞ Money Market, BIAŞ Equity Market and BIAŞ Futures and Options Market, BIAŞ Swap Market.

- b.2) Guarantees, temporary guarantees, collateral and other warranties: None (31 December 2022: None).

- b.3) Explanation of irrevocable commitments:

	Current Period		Prior Period	
	TL	FC	TL	FC
Capital commitment for VIOP (Bank is central counterparty services)	110,933	-	69,597	-
Capital commitment for ÖPP Market (Bank is central counterparty services)	2,778	-	4,342	-
Capital commitment for Money Market (Bank is central counterparty services (CCP))	237	-	783	-
Capital commitment for PAY (Bank is central counterparty services)	6,568	-	15,913	-
Capital commitment for BAP Market (Bank is central counterparty services)	26,649	-	138,032	-
Capital commitment for SWAP Market (Bank is central counterparty services)	56,971	-	225,788	-
Capital commitment for the OTC Market (Bank is central counterparty services)	1,597	-	4,944	-
Capital commitment for the TPP Market (Bank is central counterparty services)	3,158	-	8,035	-
Total	208,891		467,434	-

- c) Information related to Non-Cash Loans:

The Bank acts as a bridge between the buyer and the seller in the Takasbank Money Market, where it plays a role as the market founder and operator, and monitors the risks arising in this market in non-cash loan items, as it provides guarantees with the guarantee fund contributions and the capital allocated and committed for this market in case of non-payment of the debt. Takasbank, Securities Lending Market, Futures and Options Market, BIAŞ Money Market, Over-the-Counter Derivatives Market, BIAŞ Swap Market, Equity Market and Debt Securities Markets, has secured the transactions in the markets by the Bank.

Limits are set for members in Takasbank Money Market, Securities Lending Market, BIAŞ Money Market, Equity Market, BIAŞ Swap Market, Over-the-Counter Derivatives Market, Debt Securities Market and Futures and Options Market transactions, and there is a permanent guarantee obligation for these limits. These collaterals are kept in the bank as multiples of the credit limits determined according to their convertibility into cash.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts (Continued)

1. Information on off-balance sheet liabilities (Continued):

d) Information related to Allocations

	Current Period		Prior Period	
	TL	FC	TL	FC
Capital commitment for VIOP (Bank is central counterparty services)	354,341	-	52,126	-
Capital commitment for ÖPP Market (Bank is central counterparty services)	8,875	-	3,252	-
Capital commitment for Money Market (Bank is central counterparty services (CCP))	757	-	587	-
Capital commitment for PAY Market (Bank is central counterparty services)	20,978	-	11,919	-
Capital commitment for Debt Instruments Market (Bank is central counterparty services)	85,119	-	103,383	-
Capital commitment for Swap Market (Bank is central counterparty services)	181,972	-	169,110	-
Capital commitment for the OTC Market (Bank is central counterparty services)	5,100	-	3,703	-
Capital commitment for the TPP Market (Bank is central counterparty services)	10,089	-	6,018	-
Total	667,231	-	350,098	-

e) Information related to Guarantees:

Total valued market collateral in markets where the Bank is central counterparty is TL 98,258,619 (31 December 2022: TL 78,047,632), the total of the valued guarantee fund is TL 5,840,011 (31 December 2022: TL 3,958,338).

f) Information related to investment securities held in custody:

The investment securities held in custody, TL 6,560,332,044 (31 December 2022: TL 5,750,425,634) of the TL 6,560,106,609 (31 December 2022: TL 5,750,200,191) balance of investment securities held in custody are investment funds as the other TL 225,435 (31 December 2022: TL 225,442) balance consists of share certificate held in custody.

IV. Explanations and Notes Related to the Statement of Profit or Loss

1. Information on interest on loans:

a) Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	700,460	-	131,933	-
Medium/long-term loans	-	-	-	-
Interest on loans under follow-up	-	-	-	-
Premiums received from resource utilisation support fund	-	-	-	-
Total	700,460	-	131,933	-

b) Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	84,559	-	-	-
Domestic banks	1,509,477	611,520	564,707	258,834
Foreign banks	-	1,984	-	158
Branches and head office abroad	-	-	-	-
Total	1,594,036	613,504	564,707	258,992

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
From financial assets at fair value through profit or loss	5,319	-	-	-
From financial assets at fair value through other comprehensive income	-	-	-	-
From financial assets measured at amortised cost	47,214	184,720	42,553	101,863
Total	52,533	184,720	42,553	101,863

d) Information on interest income received from associates and subsidiaries:

None (30 September 2022: None).

e) Other information:

None (30 September 2022: None).

2. Information on interest expense

a) Information on interest on funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	97,293	113,883	46,095	24,927
<i>The Central Bank of Turkey</i>	-	-	868	-
<i>Domestic banks</i>	97,293	113,883	45,227	24,927
<i>Foreign banks</i>	-	-	-	-
<i>Branches and head office abroad</i>	-	-	-	-
Other financial institutions	209	-	178	-
Total	97,502	113,883	46,273	24,927

2. Information on interest expense (Continued)

b) Information on interest expense to associates and subsidiaries:

None (30 September 2022: None).

c) Information on interest expense to marketable securities issued:

None (30 September 2022: None).

d) Distribution of interest expense on deposits based on maturity of deposits:

None (30 September 2022: None).

3. Information on dividend income:

	Current Period	Prior Period
Financial assets at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	-	2,278
Other	41,000	27,168
Total	41,000	29,446

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

4. Information on net trading income:

	Current Period	Prior Period
Income	2,365,392	21,150
Gains on capital market operations	912	-
Gains on derivative financial instruments	1,937,605	-
Foreign exchange gains	426,875	21,150
Losses (-)	(2,302,136)	(11,376)
Losses on capital market operations	(22,768)	-
Losses on derivative financial instruments	(52,118)	-
Foreign exchange losses	(2,227,250)	(11,376)
Total (Net)	63,256	9,774

5. Information on other operating income:

	Current Period	Prior Period
Provisions no longer required ^(*)	67,232	386
Collection of prior year expenses	410	298
Income from sales of the assets	-	5
Other income ^(**)	27,934	12,791
Total	95,576	13,480

(*) In accordance with the letter dated February 7, 2023 and numbered 10042 received from the BRSA, as of this date, the Bank has started to calculate the amounts allocated and committed from Takasbank's capital instead of the off-balance sheet liability amount in the markets where CCP service is provided and the open position amount in Takasbank Money Market, which are included in the calculation as non-cash loans in off-balance sheet liabilities. As of September 30, 2023, TL 67,232 has been reclassified to unrealized loss provisions due to the change in the risk amount.

(**) Other income is the consultancy service income provided within the scope of Abu Dhabi Securities Exchange project. In the fifth section, fourth part, footnote 10 of the report, if the balances under other items in the statement of profit or loss exceed 10% of the total of the statement of profit or loss, the details of the sub-accounts constituting at least 20% of these items are given. Information on new developments and factors that significantly affect the Bank's income and the nature and amount of income arising from unusual items: None (September 30, 2022: None).

6. Explanations on Banks' expected credit loss:

	Current Period	Prior Period
Expected credit loss	31,937	36,871
12 month expected credit loss (Stage 1)	31,937	36,871
Significant increase in credit risk (Stage 2)	-	-
Non-performing loans (Stage 3)	-	-
Marketable securities impairment expense	-	-
Financial assets at fair value through profit/loss	-	-
Financial assets at fair value through other comprehensive income	-	-
Impairment provision for associates, subsidiaries and joint ventures	-	-
Provisions for Impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Other	-	-
Total	31,937	36,871

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses ⁽¹⁾	482,137	154,191
Intangible amortization expenses	5,787	2,810
Tangible amortization expenses	-	-
Provisions for termination indemnities	-	-
Deficit provision for pension funds	19,865	6,321
Tangible impairment expenses	-	-
Intangible impairment expenses	-	-
Impairment losses on goodwill	17,409	13,285
Impairment expenses of equity participations for which equity method is applied	-	-
Impairment losses on assets to be disposed	-	-
Depreciation expenses on assets to be disposed	-	-
Impairment losses on assets held for sale	-	-
Other operating expenses	128,472	155,997
-Leasing expenses related to TFRS 16 exceptions ⁽²⁾	7,201	4,351
-Repair and maintenance expenses	1,012	519
- Advertisement expenses	8,076	5,127
-Other expenses	112,183	146,000
Loss on sale of assets	13	25
Other ⁽³⁾	1,089,223	100,545
Total	1,742,906	433,174

(1) "Personnel Expenses", which is a separate item in the profit or loss statement, is also included table above.

(2) 30 September 2023 amounts include all operating lease expenses.

(3) Other operating expenses consists of provisions for capital market board's share fee, legal claims, unused vacation and other.

8. Information on continued and discontinued operations from tax provisions:

a) The Bank presents deferred tax asset and the resulting deferred tax benefit in its financial statements.

	Current Period	Prior Period
Current income tax charge	(912,067)	(367,366)
Deferred tax charge	58,013	25,658
Total	(854,054)	(341,708)

b) Deferred tax on temporary differences:

	Current Period	Prior Period
Provisions for capital market board's share fee	21,870	3,772
Provision for employee termination	7,314	2,433
Unused vacation provision	18,697	11,329
Provision for legal claims and premium	(217)	167
TFRS 9 - Provisions for expected credit losses	(135)	13,642
Difference between internal rate of return and market value of government debt securities measured at amortised cost	7,458	79
Derivative financial assets	(17,327)	-
Difference between book value and tax value of fixed assets	25,109	(4,116)
Interest accruals	84	20
Deferred tax expense recognized under equity	(4,748)	(1,651)
Financial Leasing-TFRS16	(92)	(17)
Total	58,013	25,658

9. Information on net profit/loss from continued and discontinued operations:

As of 30 September 2023, net profit after tax of the Bank is TL 2,260,614 (30 September 2022: TL 1,071,449).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

10. The explanations on net income / loss for the period:

- a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding Bank's performance for the period: None (30 September 2022: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: There is no effect of changes in accounting estimates on income statement for the current period (30 September 2022: None).
- c) Profit/loss attributable to minority shares: There is no profit or loss attributable to minority shares as of the balance sheet date (30 September 2022: None).

11. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

	Current Period	Prior Period
Other fees and commissions		
-Service Commissions	422,453	222,497
-Futures Options Exchange Commissions	396,109	246,394
-Retention Commissions	334,457	171,435
-Customer Account Maintenance Commissions	111,455	41,982
-Other	564,215	32,065
-Remittance Commissions	34,891	18,477
-Swift Transactions	38,664	13,786
-Transfer Transactions	32,545	13,772
-Fund Share Transactions	14,041	5,401
-Code Allocation/Inquiry Transactions	5,398	2,359
Total	1,954,228	768,168

V. Explanations and notes related to risk group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) Current Period:

Bank's Risk Group	Subsidiaries, associates and entities under common control (Joint Ventures)		Direk Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of the period	-	-	2,107,175	34,398,499	-	-
Balance at end of the period	-	-	1,580,259	28,105,438	-	-
Interest and commission income	121,534	-	975,076	30,568	23,632	-

b) Prior Period:

Bank's Risk Group	Subsidiaries, associates and entities under common control (Joint Ventures)		Direk Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of the period ⁽¹⁾	-	-	530,928	15,284,700	-	-
Balance at end of the period ⁽¹⁾	-	-	2,107,175	34,398,499	-	-
Interest and commission income ⁽²⁾	48	-	474,100	34,164	12,638	-

⁽¹⁾ 31 December 2022 amounts are expressed.

⁽²⁾ 30 September 2022 amounts are expressed.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and notes related to risk group of the Bank (Continued)

Information on related party deposits balances: None (31 December 2022: None).

d) Information on forward and option agreements and other similar agreements made with related parties: None (31 December 2022: None).

2. Disclosures for the risk group of the bank:

a) The relations of the bank with the entities controlled by the Bank and its related parties, regardless of whether there are any transactions or not: None (31 December 2022: None).

b) Besides the structure of relationship, nature of the transaction, amount and ratio to the volume of transactions, amount of major items and ratio to all items, pricing policies and other factors: None (31 December 2022: None).

c) In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the financial statements: None (31 December 2022: None).

d) Transactions accounted for under the equity method: None (31 December 2022: None).

e) Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees and management contracts: None (31 December 2022: None).

VI. Explanations and Notes Related To Subsequent Events

None.

VII. Other Explanations

None.

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SECTION SIX

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

I. Explanations on the Independent Auditor's Review Report

As at and for the period ended September 30, 2023, the unconsolidated financial statements and notes to the unconsolidated financial statements have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the review report dated November 6, 2023 is presented before the unconsolidated financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditor

None.

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SECTION SEVEN

EXPLANATIONS ON INTERIM ACTIVITY REPORT

Evaluation of the Chairman of the Board of Directors for the Period

In 2023, inflation continued to hover above target levels globally and the adverse effects of climate change on economies continued to pose risks to global activity. In the shadow of these risks, central banks implemented their policy decisions by trying to maintain a balance between preventing inflationary rigidity and the possibility of recession.

Despite the pressures on global growth, the US economy grew by 4.9% year-over-year in the third quarter, above expectations, thanks to the rise in consumer spending. Although inflation in the US, which rose to 3.7% in September, remained below the levels seen last year, it remained above the US Federal Reserve's 2% target. In this context, the FED continued to raise interest rates to prevent the rise in inflation and raised the benchmark interest rate to 5.25-5.50% range by a total of 100 basis points as of the third quarter of 2023. On the other hand, debt ceiling risks were also on the agenda in the third quarter. In August, Fitch downgraded the long-term credit rating of the US from AAA to AA+, one notch lower, due to the expected deterioration in the public finance outlook over the next three years and growing concerns about the high debt burden.

In the Euro Zone, where recession concerns continue, the economy increased by 0.5% in the second quarter compared to the same period last year. While the European Central Bank (ECB) has increased interest rates in the last 10 meetings, it left the policy rate constant at 4.50% in October. On the other hand, price pressures continued to remain strong in the regional economy. The course of oil prices against the inflationary effects of the tension in the Middle East will be important in the coming period.

In the third quarter of the year, the Chinese economy grew by 4.9% compared to the same period in 2022, despite the problems in the real estate sector. The People's Bank of China continues to take supportive steps to contribute to economic recovery.

The Turkish economy grew by 3.8% in the second quarter of the year, eliminating the contractionary effect of the earthquake disaster in February on the economy. In this period, the biggest contribution to growth came from private consumption expenditures. The IMF increased its growth forecast for the Turkish economy from 3% to 4% this year, and the World Bank increased it from 3.2% to 4.2%. Annual inflation rose to 61.53% in September. With the interest rate increase cycle that started in June to combat inflation, the policy rate rose to 35% as of October. CBRT, which has taken simplification steps as well as interest rate increases, has made arrangements to increase the share of Turkish lira deposits. With the influence of the CBRT's steps, international credit rating agencies Fitch and S&P confirmed Turkey's credit rating at "B" level and revised the rating outlook from negative to stable. In an environment where uncertainties are increasing on a global scale, the effects of conflicts on domestic and international demand, energy and food prices will be important in the coming period. On the other hand, the effects of the decisions that will ensure sustainable financial stability through investment, production and employment increases on the economy will be monitored by the economic management.

Takasbank effectively continued its services to our country's money and capital markets in the third quarter of 2023, and carried out an effective management in line with international examples, especially in the management of risks and guarantees arising from the markets in which it serves as a central counterparty.

Our projects and initiatives to develop and diversify the services offered to the markets, especially the central counterparty service, are carried out in line with the demands of the sector and taking into account the needs of our country. Efforts to strengthen our technological infrastructure in order to manage operational risks arising from IT and to continue to provide Takasbank services in a fast, effective and uninterrupted manner continued during this period.

With its strategic perspective and effective management policies, our Bank achieved a pre-tax profit of 3.1 billion TL as of September 30, 2023, its asset size reached 121.1 billion TL and its equity capital reached 5.9 billion TL. Thanks to our preparedness against risks and technical competence, our business continuity will be maintained in the coming period, and new products and services will continue to be developed in harmony with the Group companies.

On the other hand, as a result of the earthquake disaster that occurred in our country on February 6, 2023 and caused great destruction, our Bank is making its contribution to healing the wounds of our citizens affected by the earthquake, and will support the studies to be carried out in this context in the following period.

On behalf of myself and our Board of Directors, I would like to thank all our stakeholders, especially our employees and managers, who have a share in the successful performance of our bank.

Best regards,

Mahmut KAYACIK
Chairman of the Board of Directors

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Evaluation of the CEO for the Period

Takasbank continued to contribute to the development of Turkish capital markets and displayed a successful performance in the first nine months of 2023, when an intense struggle was waged with the epidemic disease and the economic difficulties it caused in our country as well as in the rest of the world.

In the first nine months of 2023, due to the increase in market transaction volumes and the widening in Takasbank's service profile, our fee and commission revenues increased significantly above the budget projections and the realizations in the same period last year and reached 1,7 billion TL, and our profit before tax was 3.,1 billion TL. As of 30 September 2023, Takasbank's asset size has reached 121,1 billion TL, its shareholders' equity has reached 5,9 billion TL and its total cash collateral size has reached 91,8 billion TL.

Takasbank continues to operate uninterruptedly and effectively for all markets it serves.

As of 30 September 2023; In Borsa Istanbul (BİAŞ) Debt Securities Market Outright Purchases and Sales Market and Repo-Reverse Repo Market, a total of 21.087.8 billion TL transactions were realized, of which 235.3 billion TL was private sector bond transactions. Regarding the transactions in the market; As a result of multilateral netting in the Takasbank system, a total of 6,972.9 billion TL cash swap and 12,870.4 billion TL market value securities clearing transaction were realized. In the BİAŞ Swap Market, a total of 2,063.6 billion TL of bilateral transactions were made, of which 78.2 billion USD and 13.82 billion EUR transactions.

24,187.9 billion TL transactions were realized in BİAŞ Equity Market, 681.8 billion TL cash and 2,906.3 billion TL securities swap transactions were realized.

As of 30 September 2023, the number of open positions in the Futures and Options Market was 15,210,360 and the open position value was 139,7 billion TL. Open position value in the OTC Market was 10.2 billion TL.

The transaction volume in Takasbank Money Market, one of the markets operated by Takasbank, reached the level of TL 8,089.5 trillion in the nine-month period, while the total number of transactions was 376.677. While the average daily transaction volume was 43.2 billion TL, the average transaction size was 21.5 million TL.

In the Equity Lending Market, 46 different securities were traded in a nine-month period, 349.7 billion transactions were realized on a unit basis, and the total transaction volume was 12.1 billion TL. The transaction volume in the Turkish Electronic Fund Trading Platform (TEFAS) was 1,244.9 billion in the nine-month period TL, the number of funds traded was 538. While the average daily transaction volume was TL 6.6 billion, the number of transacting institutions was 101. The transaction volume in the Private Pension Fund Trading Platform (BEFAS) was 10.8 billion in the nine-month period TL, the number of funds traded was 283. While the average daily transaction volume was TL 57.7 billion, the number of transacting institutions was 15.

Regarding private pension fund services; As of 30 September 2023, the fund asset value of 377 individual pension mutual funds stood at TL 670 billion. In the same period, total fund asset value of 1,454 mutual funds is 1,298.9 billion TL, total fund asset value of 149 real estate investment funds is 48.2 billion TL, total fund asset value of 258 venture capital investment funds is 86.3 billion TL, total fund asset value of 21 exchange traded funds is 60.4 billion TL and the total net asset value of 10 securities investment trusts was 1,265.7 million TL.

Within the scope of the cash loan service offered by Takasbank to intermediary institutions, a daily average of 4,913.5 million TL of cash loans was extended.

In the nine-month period of 2023, Takasbank continued its efforts to deepen the markets and strengthen its information technology infrastructure with its development activities for the management of financial risks, within the framework of its vision of "contributing to the development of markets with reliable and effective post-transaction services".

I would like to thank everyone, especially our employees, who contributed to the success of our Bank, which has shown a successful financial performance by maintaining its services effectively and uninterruptedly in these days when our country is going through a difficult period along with the rest of the world.

Best regards,

Avşar R. SUNGURLU
General Manager
Board Member

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Bank's Historical Development

The Bank which was originally established as a department of the Borsa Istanbul Inc. ("BİAŞ") and started its operations under the name of İMKB Takas ve Saklama A.Ş. on 12 July 1991 has been transformed to a non-deposit taking bank on 8 August 1995 with the name of İMKB Takas ve Saklama Bankası A.Ş. upon the resolution of the Council of Ministers No. 95/6551 published in the Official Gazette dated 23 June 1995. In its 18th Ordinary General Assembly dated 29 March 2013, the title of the Bank has been changed to Istanbul Takas ve Saklama Bankası A.Ş.

Shareholding Structure

Takasbank's paid-in capital is 600 million TL. The Bank has 39 shareholders, and BİAŞ has 64.18%, 11 banks have 17.04% and 27 brokerage houses have 18.78% shares in its capital.

Shareholder Name	Paid-in Capital (Thousand)	Capital ratio (%)
Borsa İstanbul A.Ş.	385,067	64.18
Tacirler Yatırım Menkul Değerler A.Ş.	30,000	5.00
Phillip Capital Menkul Değerler A.Ş.	30,000	5.00
Türkiye Garanti Bankası A.Ş.	29,685	4.95
Yapı Kredi Yatırım Menkul Değerler A.Ş.	26,280	4.38
Türkiye Vakıflar Bankası T.A.O.	26,235	4.37
Türkiye İş Bankası A.Ş.	26,235	4.37
Diğer (Aracı kurum)	26,397	4.40
Diğer (Banka)	20,101	3.35
Total	600,000	100.00

Names and Shares of the Real or Legal Persons having more than 10% of the capital:

Business Name	Share Amount (Thousand TL)	Ratio (%)
Borsa İstanbul A.Ş.	385,067	64.18

Share transfers of the shareholders within the reporting period:

None.

Branch and Personnel Information

The Bank has a total of 379 employees and does not have any branches. The Bank is operating as Head Office.

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Board of Directors, Auditors, CEO and Executive Vice Presidents

Chairman and Members of the Board of Directors

Name Surname	Area of Responsibility
Mahmut Kayacık	Chairman
Korkmaz Ergun	Deputy Chairman of the Board
Murat Tacir	Member (Risk Committee Chair - Audit Committee Member)
Bilal Şentürk*	Member (Corporate Governance Committee Chair - Credit Committee Permanent Member)
Münevver Çetin	Member (Audit Committee Chair - Risk Committee Member)
Murat Onuk	Member (Credit Committee Permanent Member - Corporate Governance Committee Member)
Avşar R. Sungurlu	Member (General Manager - Credit Committee Chair)
Bekir Bayrakdar	Member (Remuneration Committee Chair - Credit Committee Master Member)
Yusuf Karaloğlu	Member (Member of the Remuneration Committee - Reserve Member of the Credit Committee)

CEO and Executive Vice Presidents

Name Surname	Area of Responsibility
Avşar R. Sungurlu	General Manager Chairman of the Credit Committee
Gökhan Elibol	Vice President - Markets and Operations
Murat Görgün	Vice President - Central Counterparty and Financial Services
Taşkın Öker	Vice President - Information Technologies

* At the General Assembly held on August 3, 2023, Board Member Gülseren Topuz resigned from her position and Bilal Şentürk was appointed as a member of the board of directors.

Information Related to Transactions the Bank Performs Conducts with its Risk Group

As part of the transactions conducted with the risk group to which Takasbank belongs, the transactions executed with the Bank's major shareholder Borsa Istanbul and those conducted with the institutions in which the members of the Board of Directors of our Bank serve as general manager or board member are taken into account.

Bank's Risk Group	Subsidiaries, associates and entities under common control (Joint Venture) (Thousand TL)		Direct and indirect shareholders of the Bank (Thousands of TL)		Other real persons and legal entities included in the risk group (Thousand TL)	
	Cash	Non-Cash	Cash	Non-Cash	Non-Cash	Cash
Loans and Other Receivables						
Opening Balance at the Beginning of the Period	-	-	2,107,175	34,398,499	-	-
Closing Balance at the end of the Period	-	-	1,580,259	28,105,438	-	-
Received Interest and Commission Income	121,534	-	975,076	30,568	23,632	-

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Evaluation on the Bank's Financial Indicators and Performance

ASSETS (Thousand TL)	30 September 2023
Financial Assets (net)	111,097,101
<i>Cash and Cash Equivalents</i>	110,882,456
<i>Cash and Balances with Central Bank</i>	194
<i>Banks</i>	111,000,220
<i>Money Markets</i>	-
<i>Expected Loss Reserves (-)</i>	117,958
<i>Financial Assets at Fair Value Through Profit/Loss</i>	42,273
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	4,332
<i>Derivative Financial Assets</i>	168,040
Financial Assets Measured at Amortised Cost (net)	9,006,753
<i>Loans</i>	3,591,072
<i>Other Financial Assets Measured at Amortised Cost</i>	5,422,912
<i>Expected Credit Losses (-)</i>	7,231
Investments in Associates, Subsidiaries and Joint Ventures	4,825
Tangible Assets (net)	124,621
Intangible Assets and Goodwill (net)	172,369
Investment Properties (net)	141,630
Current Tax Assets	-
Deferred Tax Assets	106,028
Other Assests	489,272
Total Assets	121,142,599
LIABILITIES (Thousand TL)	30 September 2023
Loans Received	5,421,592
Payables to Money Markets	-
Funds	108,841,289
<i>Other</i>	108,841,289
Derivative Financial Liabilities	1,131
Lease Payables	1,250
Provisions	294,685
<i>Provision for Employee Benefits</i>	92,210
<i>Other Provisions</i>	202,475
Current Tax Liabilities	682,178
Deferred Tax Liability	-
Shareholders' Equity	5,900,474
Total Liabilities	121,142,599

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Statement of Profit or Loss(Thousand TL)	30 September 2023
Interest Income	3,151,867
Interest Expense (-)	211,385
Net Interest Income/Expense	2,940,482
Net Fees and Commission Income/Expense	1,749,197
Dividend Income	41,000
Net Trading Income/Losses	63,256
Other Operating Income	95,576
Total Operating Profit	4,889,511
Expected Credit Losses (-)	31,937
Other Provisions (-)	183,544
Personnel Expenses (-)	482,137
Other Operating Expenses	1,077,225
Net Operating Profit/Loss	3,114,668
Provision for Taxes (-)	(854,054)
Net profit/loss	2,260,614
Financial Ratios	30 September 2023
Operating Income / Total Assets	2.57
Shareholders Equity / Total Assets	4.87
Operating Income / Shareholders Equity	52.79
Net Interest Income / Operating Income	60.14
ASSETS (Thousand TL)	31 December 2022
Financial Assets (Net)	79,444,360
<i>Cash and Cash Equivalents</i>	79,375,320
<i>Cash Values and Central Bank</i>	1,029,858
<i>Banks</i>	78,433,306
<i>Receivables From Money Markets</i>	-
<i>Expected Loss Reserves (-)</i>	87,844
Financial Assets at Fair Value Through Other Comprehensive Income	64,708
Derivative Financial Assets	4,332
Financial Assets Measured by Amortized Cost (Net)	5,578,599
<i>Credits</i>	2,681,206
<i>Other Financial Assets Measured by Amortized Cost</i>	2,901,106
<i>Expected Loss Reserves (-)</i>	3,713
Partnership Investments	4,825
Property, Plant and Equipment (Net)	32,355
Intangible Assets (Net)	125,517
Investment Properties (Net)	141,630
Current Tax Asset	-
Deferred Tax Asset	43,267
Other Assets	434,019
Total Assets	85,804,572

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

LIABILITIES (Thousand TL)	31 December 2022
Loans received	6,821,660
Funds	206,603
Other	73,800,449
Derivative Financial liabilities	73,800,449
Lease payables	-
Provisions	4,675
Provision for Employee Benefits	221,393
Other provisions	44,709
Current tax liabilities	176,684
Deferred tax liabilities	232,854
Shareholders' equity	-
Loans received	4,516,938
Total Liabilities	85,804,572
Statement of Profit or Loss (Thousand TL)	30 September 2022
Interest Income	1,103,962
Interest Expense (-)	71,200
Net Interest Income/Expense	1,032,762
Net Fees and Commission Income/Expense	797,740
Dividend Income	29,446
Net Trading Income/Losses	9,774
Other Operating Income	13,480
Total Operating Profit	1,883,202
Expected Credit Losses (-)	36,871
Other Provisions (-)	90,985
Personnel Expenses (-)	154,191
Other Operating Expenses	187,998
Net Operating Profit/Loss	1,413,157
Provision for Taxes (-)	(341,708)
Net Income/(Loss)	1,071,449
Financial Ratios	30 September 2022
Operating Income / Total Assets	2.03
Shareholders Equity / Total Assets	5.55
Operating Income / Shareholders Equity	36.63
Net Interest Revenue / Operating Revenue	54.84

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

The size of the balance sheet which was 85,804,572 thousand TL at the end of September 2022 reached 121,142,599 thousand TL as of end-September 2023. The banks account representing the highest amount in the assets and realized as 111,000,220 thousand TL. The size of credits was 2,681,206 thousand TL at the end of September 2022 reached 3,591,072 thousand TL. The credits account increased by %34.

The Bank's loans received balance, which was TL 6,821,660 at the end of the previous year, amounted to TL 5,421,592 as of this period.

On the other hand, the obtained loans item of the bank loans received from 73,800,449 thousand TL to 108,841,289 thousand TL with an increase of 48%.

As of the end of second quarter of 2023, the Bank has a pre-tax profit of 3,114,668 thousand TL and after-tax profit of 2,260,614 thousand TL.

An interest income of 3,151,867 thousand TL is earned as of end-September 2023, where 2,207,540 thousand TL interest is collected from the banks, 237,253 thousand TL interest is collected from the securities and 700,460 thousand TL is collected from the loans, 6 TL interest is collected from money markets and 6,608 thousand TL results from other interest income. Total interest expense for this period was realized as 211,385 thousand TL.

The Bank earned 1,954,228- thousand TL commission income as a result of the services it provides and paid 205,031 thousand TL commission for its Turkish Lira and foreign currency denominated transactions. As of end-September 2023, net fee and commission income was realized as 1,749,197 thousand TL.

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